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Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 36 — 55

THURSDAY, APRIL 30, 1970

WITNESSES:

The Family Service Association of Montreal: Mrs. M. Carlyle Johnston, Chairman, Public Issues Committee; Rev. R. W. Johnson, Executive Director, Tyndale House; Mr. R. A. Davis, Supervisor, Little Burgundy; Mr. C. Ken Banks, Community Organization Worker; Mrs. Dorothy McIntyre, Citizens Group; Mrs. Gladys Boyd, Citizens Group; Miss Christine Gordon, Homemaker; Mrs. Lillian Siegel, Public Issues Committee; Mrs. Ellen Prince, Public Issues Committee; Mrs. Ken Banks, Social Worker; Mrs. A. Linkletter, Public Issues Committee; Mrs. Patricia Banks, Social Worker; Mr. Sam Mhlanga, Staff; Mrs. Joan Gordon, Staff.

APPENDIX:

"A"—Brief submitted by The Family Service Association of Montreal.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle,	Hastings,
Carter,	Inman,
Connolly (<i>Halifax North</i>),	Lefrançois,
Cook,	MacDonald (<i>Queens</i>),
Croll,	McGrand,
Eudes,	Pearson,
Everett,	Quart,
Fergusson,	Roebuck,
Fournier (<i>Madawaska-Restigouche</i>),	Sparrow.
<i>Deputy Chairman</i> ,	

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, April 30, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (*Chairman*), Fergusson, Fournier (*Madawaska-Restigouche*), Lefrançois, McGrand, Pearson and Quart. (7)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

THE FAMILY SERVICE ASSOCIATION OF MONTREAL:

Mrs. M. Carlyle Johnston, Chairman, Public Issues Committee;

Rev. R. W. Johnson, Executive Director, Tyndale House;

Mr. R. A. Davis, Supervisor, Little Burgundy;

Mr. C. Ken Banks, Community Organization Worker;

Mrs. Dorothy McIntyre, Citizens Group;

Mrs. Gladys Boyd, Citizens Group;

Miss Christine Gordon, Homemaker;

Mrs. Lillian Siegel, Public Issues Committee;

Mrs. Ellen Prince, Public Issues Committee;

Mrs. Ken Banks, Social Worker;

Mrs. A. Linkletter, Public Issues Committee;

Mrs. Patricia Banks, Social Worker;

Mr. Sam Mhlanga, staff;

Mrs. Joan Gordon, staff.

The brief submitted by the Family Service Association of Montreal was ordered to be printed as Appendix "A" to these proceedings.

At 12.05 p.m. the Committee adjourned until Tuesday, May 5, 1970, at 9.30 a.m.

ATTEST.

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Thursday, April 30, 1970

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: Honourable senators, we have today a brief from the Family Service Association of Montreal. On my right is Mrs. Carlyle Johnston; she is a social worker, member of the Board of Directors, Chairman of Public Issues Committee and a board member of other social agencies. Next to her is Mr. Robert Davis, a social worker, who is Supervisor of an outpost office in an urban renewal area. Next is the Rev. R. W. Johnson, who is a member of the Board of Directors and Executive Director of Tyndale House. There is also present Mr. Jean Back, who is a member of the Family Service Association, Geriatric Group, a member of the Senior Citizens Forum Committee, and instigator of several social action projects; he is a client of the agency.

Mrs. Johnston will make a short statement, followed by Mr. Davis, Rev. Johnson and Mr. Back, and then we will start the questioning period.

Mrs. M. Carlyle Johnston, Chairman, Public Issues Committee, Family Service Association of Montreal: Thank you Mr. Chairman. You have the brief before you, which is a summary in form. It runs to only two or three pages and represents a consensus of opinion of a number of groups and individuals within the Family Service Association. As you can see by the attached appendices, Family Service represents a cross-section in every sense, in terms of experience and approach.

The Chairman: I neglected to mention the fact that some other ladies and gentlemen have come along. They are very welcome and may participate at a later stage. Go ahead Mrs. Johnston.

Mrs. Johnston: I would like to suggest that in place of presenting the usual summary of

the brief itself. I would now like Rev. Johnson to represent a number of different voices, I call on several members of the committee or persons associated with the agency to speak to the brief itself. I would now like Rev. Johnson to comment.

The Rev. R. W. Johnson, Executive Director, Tyndale House: In the Family Service Association brief, the preamble makes this statement:

...future policy making by the Canadian Government concerning the question of poverty in this nation should be cognizant of the critical breakdown in family life especially among poor families because of economic, educational, social condition and polity, and, thereby, should bring together the resources and technology available today to better integrate the basic functions of urban life to assure that man's inalienable right to be human is not destroyed.

To that statement I might add that there are three foundation problems among the under-privileged person. The first has to do often with a self-depreciation image which is imposed upon by a middle class society. The second is the absence of social structures whereby the unbelievable human benefit the modern world has created and amassed can be channelled into the lives of these people. Thirdly, the underprivileged people of our society are deprived of any real means of participating in the decision-making processes and the concrete social activity whereby their practical destiny is determined.

Civilization in Canada is not advancing, because their problems go unanswered. I submit that only a comprehensive approach to total community reformulation will afford a rational strategy for answering these human problems. The problem of the inner hard core of the city has today become very much a psychological problem, and the underprivileged live and act out of a sub-standard image, a reaction of social forces which are constantly beyond their control.

Secondly, there is the non-existence of adequate functional social structures by which humanness is mediated to individual persons. Surface problems are myriad, multiple, medical, educational, housing, jobs, urban services, and so forth. Underneath all of these is the lack of local social structures whereby solutions already invented can be made available to the underprivileged. I submit that they are pawns in a vast bureaucratic vehicle.

Thirdly, the underprivileged have no means whereby they have a sense of doing something that will make any difference in their personal lives. The imperative to reduce poverty must be a comprehensive one. The fragmented approach with one project here and another there, unrelated by any common model is, to quote one source, "...but sophisticated benevolence, never penetrating to the real issues of being human."

There are methods necessary to draw together a real human community in our urban centres throughout Canada. First, there must be the intentional employment of positive symbols in specific geographical areas that are recognized by human beings wherever they might be. We all know of that positive symbol that is raised up in the middle class, that of money. These symbols would be employed through forums, assemblies, posters, community decor, and a positive psychological image for human beings in the neighbourhood.

The second method that should be a possibility is the creation of grass root social structures. They don't exist. That is, to analyze human problems in a particular area, and next to bring local social structures into being so they can feel and identify the particular problems of the underprivileged.

We must continue the above breakdown until all human problems are covered. That is to say, the local structures are the instruments whereby the benefits of our technical society become available to all persons, especially at the grass roots level of our society. Existing structures are not necessarily replaced: they serve them in an important function.

The third aspect in terms of method has to do with community organizations. This is noted in our brief, and further comment will be made in that regard by Mr. Davis.

In conclusion, what I would submit is that the comprehensive community re-development is a necessary strategy for dealing with

the tragedies of poverty in this country. Fragmental approaches that have been continued over the past 50 years will never succeed. To make this concern for poverty a political game is also disastrous. Building a model for humanness in a dehumanized society is the order of the day. It must begin now or the year 2000 will note the vast waste of human energies and resources in our concern today for poverty.

Mr. R. A. Davis, Supervisor, Little Burgundy Office, Family Service Association of Montreal: The backbone of our recommendations is, I think, a recommendation for a guaranteed income that would also have an escalator clause according to the cost of living index.

I thought maybe I could say a few words about how we came to this conclusion. It really comes out of our experience with people we know who are presently having to deal with the welfare system as it presently exists, and what this does to them to have to do this. Mrs. McIntyre is here today and she will be able to speak very eloquently, I think, to this later on. I just want to say a few words about one aspect of this, to give an example of what people have to contend with in the way the welfare system hassles them.

The present welfare system has many flaws that even appear equitable and humane to an administrator of welfare, but which in practice really make welfare a reign of terror for the recipients. It is hard to describe how really terrified and how really frightened they are. A case in point is the attempt on the part of welfare officials to ensure that everyone receives the same treatment. They sometimes get criticism that recipients are favorites of certain workers or certain investigators. In order to deal with this they make a system which consists of giving each person who enters the office a number; the numbers are assigned to the investigators on a random basis, so that any time you have business at the welfare office you are talking to someone different each time you come in.

On the surface this appears to be a reasonable and fair way to deal with the charge of favoritism, but in actual practice there are workers who are known to be harsh and punitive, and they make contacting a welfare office for a welfare recipient a little bit like playing Russian roulette. They don't know who they are going to get next, and when they come to the office it might be one of these people who would actually review their

budget and cut their welfare grant rather than give them the additional thing that they came to the office for. People are afraid to go to welfare offices because they don't know who they are going to see next. I think this is a realistic fear, because many times this has happened.

Another practice is the pretence of reviewing a person's needs and formulating a model budget. Even the budgets that are drawn up fall far short of the standards of decency; worse than this, in many instances, the actual grant bears no relationship to the budgeting process. They go through this big, long thing of making out a budget, and when they get down to figuring the grant they don't even take the budget into consideration. People think, "Oh, I have been through the budget; these must meet my needs." This is a decoy really. The people making the grant know what that grant is going to be beforehand, and welfare officials even sometimes openly admit that many times that grant is \$5 or \$10 short of what their scales even call for. Many times they will admit they are giving people \$5 or \$10 less than the scale says that they should have.

I will not go on to some of these other points about welfare, because I think Mrs. McIntyre can speak very well to that much better than I could. I also have Mrs. Boyd here. These are people who live in the area where I work. Mrs. Boyd is not on welfare, but I think she can tell you what it is like to have a low income and not be on welfare, because in many respects some of the stresses of people who are not on welfare but have a low income experience are every bit as great as those of people who are on welfare, and sometimes their security is less. I hope they will have an opportunity to speak a little later on.

Mr. Jean Back, Geriatric Group, Family Service Association of Montreal: To set the mood for the things I would like to present here I would like to read a letter which appeared some time ago in the *Montreal Star*. It was written by a certain Mr. Spencer, Ste. Rose.

HARD PICKINGS FOR PENSIONERS
Now that Mr. Benson has a surplus in the old age pension fund, the Members of Parliament want an increase on their \$18,000 of which \$6,000 is tax free.

I don't belong to any union, so I can't strike.

I got a \$1.58 per month increase in my old age pension and a \$7.00 increase in

my rent because the landlord had to pay higher taxes and \$8.00 per hour for a plumber.

When will they invent a pill that will bring swift, painless death for anyone over 65 that wants it?

It represents a mood of people who live exclusively on old age pensions. If I may continue for a moment, it is a question of building houses to house older couples especially. First, to build these houses will take years; there will be waiting lists, and meanwhile old couples spend their last cents to maintain the apartments in which they have lived for years or life. They are accustomed to a certain sector of the town, and taking these people out of the centre would make them feel like displaced persons, so I would plead for help to help these people pay the rents and let them stay in their old apartments, where they are accustomed to live, as long as they are able to continue on their own. I am sure that if the Government and other agencies worked in helping them in this way, it would be much simpler and easier than putting these people into homes and taking them out of their environment and putting them, most of the time, in places out of town or past the limits of the town. I have a statement from a bus driver who comes from outside of town during the period from the 1st to the 10th of the month: "The bus downtown and coming out is full of old people, and after the 10th there are no more old people in my bus simply because these people can't afford to travel around."

Then I would like to launch a real protest against the statement by the Finance Minister when he said it was possible for people to live in Canada on \$30 per week. I find this statement impertinent and true. It might be possible for some retired lumber jacks and hillbillies who dwell outside in the bush to live on \$30 per week, but not for people living in towns and cities—or what is called living for these people. The average old age pensioner does not get \$30 per week. A finance genius like the Finance Minister cannot count. He said each quarter has not 12 weeks but 13. Their three pay cheques cover 12 weeks at \$30, so what are they to live on the 13th week? They should send their expense account to Mr. Benson, who has the highest education in the country, and they might get along with that. Insulting people by saying "You can" means, "I dictate you have to live on \$30."

Another statement is by Mr. Alan Borovoy, General Counsel of the Canadian Civil Liberties Association:

"The poor on welfare seem to have fewer rights than some of the most dangerous criminals in society."

I bring this up because twice during the last month I heard from older people the opinion, "Why shouldn't I commit a larceny so they put me in prison? In prison I have not the troubles I have while living on my old age pension."

People who have passed their lives honestly and haven't had conflict with the police or the law receive barely \$1,200 per year, and the Government spends for crooks, criminals and assassins in the prisons over \$6,000 per head. What is the reason to be an honest citizen when the criminals are pampered and the old age pensioner neglected, and even insulted? With this system of helping the criminals and neglecting the old age pensioners, does Canada behave like a civilized country.

Senator Croll: Are you finished.

Mr. Back: If you want, yes.

Senator Croll: We will get back to you again. You will have an opportunity as we go along. Mrs. Johnston will see that you are heard from. She will indicate when she wants us to call on you.

Who is Mrs. Dorothy McIntyre? You sit where you are and let us hear from you.

Mrs. Dorothy McIntyre, Citizens' Group: I am a welfare recipient. I receive welfare once a month, and it is \$213.00 a month.

The Chairman: How many children have you?

Mrs. McIntyre: I have five children.

The Chairman: Ages?

Mrs. McIntyre: Eighteen, 15, 14, 9, and my little nephew is 13, he is retarded. We have to live off that, and my daughters go to high school. \$213.00! I have to send my daughters to high school, I have to buy their lunches, plus any other thing they need.

Senator Fournier: You are paying rent also?

Mrs. McIntyre: Yes, out of that money. My heating, light, everything has to come out of

that. We just don't live; we exist. Anything extra the school will furnish if I send them a letter stating that we need certain things, but we have to write a letter.

The Chairman: What do you mean? Warm lunches at the school or clothes?

Mrs. McIntyre: We have to pay for that.

The Chairman: For the warm lunches?

Mrs. McIntyre: Yes, sir.

The Chairman: At noon or...

Mrs. McIntyre: Yes, at lunch.

The Chairman: How much do you pay?

Mrs. McIntyre: Well, my daughters eat heavy. Sometimes it is 21 cents and sometimes 30 cents; it all depends.

The Chairman: Could you ask for clothes, too, from the school?

Mrs. McIntyre: No. Not in high school. If you do the children feel embarrassed, because you have to wait, and they take you down to the store like a little child and fit the things on you, and this is it. The girls are taking up dressmaking, and again you have to send a letter to school stating they need the material, and they will give them the money vouchers to go to the stores, but still not the best, it has to be within reason.

Senator Pearson: Does your 18-year old go to high school, too?

Mrs. McIntyre: My daughter is graduating.

Senator Pearson: Your son.

Mrs. McIntyre: I have a retarded nephew, I said.

The Chairman: How old is the baby?

Mrs. McIntyre: He is 13 years old. We have to pay, believe it or not, \$2 a year. Even they know I am under welfare. They sent me three notices for \$2.

The Chairman: For what?

Mrs. McIntyre: That is their annual fees.

The Chairman: Annual fees for what? They charge you, do they?

Mrs. McIntyre: This is it; they know we are under welfare.

Senator McGrand: What do the hot lunches consist of?

Mrs. McIntyre: Well, it all depends what they have on the menu that day. My children are allowed 50¢ a day.

Senator McGrand: What is in the hot lunches?

Mrs. McIntyre: Well, sometimes it's meat with potatoes, spaghetti, it all depends.

The Chairman: That \$2 is membership in the retarded organization; isn't it?

Mrs. McIntyre: Yes.

The Chairman: Go ahead.

Mrs. McIntyre: In November, I asked for a stove and they sent me down a worker from the city. He examined my house, he questioned me, did I really need the stove? He had to go down to the kitchen to look at the inside of my old stove to believe me, to see if it was really needed. Finally I was told to try and get a stove of my own. I phoned different places for a secondhand stove. I got the stove, then I had to 'phone and tell the man about it. The stove cost \$31. The installation was \$60. On my file he has \$130 for the stove. Now if I need anything else I can't get it because I have \$130.00 marked on my file.

Senator Pearson: Why \$130?

Mrs. McIntyre: That is what the investigator marked that he paid for the stove.

The Chairman: You say in effect it was less than that?

Mrs. McIntyre: Actually it was less. It was \$91, but he put \$130 to get paid for it.

Mr. Davis: Tell him all the expenses.

Mrs. McIntyre: Well, there are so many expenses. You can ask whichever one you want and...

The Chairman: Well, we will get into that in a little while. Any other aspect Mrs. McIntyre?

Mrs. McIntyre: When we go to get things from the welfare it is very hard to get it at times. They tell you you have to watch your budget and everything else. You don't always get it, and sometimes you need clothing. If you go, like I do, to the Family Service they try to help you one way or the other, or I have to go to Rev. Johnson here or go down to the school. This is the way we get our clothing, and sometimes pay a fast bill; it's through that.

The Chairman: We will get back to you again. Mrs. Gladys Boyd?

Mrs. Gladys Boyd, Citizens Committee, Little Burgundy: I have written mine down—I hope you will bear with me—because I was afraid I'd forget something. I am not accustomed to being in this kind of company.

I am a Canadian, born and brought up in Montreal, and a resident in Little Burgundy, in the low income bracket. I represent the Citizens Committee of Little Burgundy; Secretary-Treasurer; Board of Directors, Negro Community Centre; Little Burgundy Council Treasurer; Little Burgundy Co-op Secretary and Organizer, WRAP—which stands for Welfare Rights and Anti Poverty—Organizer, Housing Committee for Little Burgundy, and reporter for *Up To The Neck*, a paper published by the University Settlement. This may sound impressive, but it just means there are a lot of people that I make contact with; I don't receive salary for any of these jobs. It's purely voluntary.

I can't get work; I am too old at 59. I can't get the old age pension because I am too young. I am capable of doing a good day's work, and I am willing to do it. In order to live I have to rent three rooms and have three foster children. The roomers and children give me annually \$3,740; out of this I have to house seven people, feed four people, haircuts, car fare, recreation for four people, medical, dental, glasses and clothing for one.

Now, I receive this amount annually provided all the rooms are rented for the whole year. I had one empty for two weeks in January. A lady died and it took me two weeks to rent it. I have one leaving on May 5, who is being rehabilitated with her children and has got a home, and I don't know if I will rent it right away or not. I mean, this is annually, but it's less than that if I don't keep them rented.

I have to heat 11 rooms, supply gas for four people to cook, electricity for 11 rooms, hallways and entrances, phone, wear and tear on linens, floor coverings, curtains, drapes, blinds, furniture and so on, water rates, fire insurance which is spiralling up on account of these riots and what have you, repairs and upkeep of the building, school taxes and municipal taxes.

In order to meet these expenses I have had to go into my life's savings each month. Even with careful planning—and I live modestly, don't drink or smoke—when I pay my taxes

this year there will be enough money left in my account just to keep it open. My savings will not last another five years until I get my old age pension, so my situation looks grim from here. All I can see is in two or three years losing my home, that I worked so hard for when I was young so that I would have security when I got older, my savings gone and in a room somewhere.

Please, don't strip me of my dignity and human rights as a Canadian. I cannot afford the luxuries of a doctor or a lawyer. If the poor and the aged are sick they usually let it take its course until it either gets better by itself or, in many cases, they are carried out in an ambulance or to the morgue. If they are one of the lucky ones who can get someone to drive them to the hospital, or they have the car fare to get there, they sit for hours waiting for their name to be called. Have you ever gone through a hospital clinic waiting room and seen the old tired faces, the lonely dejected faces, the discouraged and the worried faces? If you haven't, walk through and take time to look and say "Thank God that's not my mother, wife or child there." But for the grace of God it could be.

Poor people are exploited daily by merchants and all kinds of people out to get a fast buck. They don't know their rights and cannot afford a lawyer, therefore they pay many times more than what the article cost. If a lawyer's letter comes, or the bailiff, they are helpless. Just like our little seal cubs up north, they don't stand a chance.

If a poor person gets picked up by the law, he can't raise the bail so he stays in goal. The affluent citizen pays his bail and walks out. I've been working with citizens' groups in order to try to find a cure for our ills in our area of Little Burgundy. We need a health and dental clinic so that there will not be the long waiting, the car fare and distances to travel in inclement weather. We need a law office so that the poor can feel they have somewhere to go and find out their rights and know they will have someone who will listen and try to help.

We have plenty of doctors, lawyers and dentists who are willing to give their time and skills to help us, but we need the tools. Churchill once said, "Give us the tools and we'll do the job." And I say, give us the tools and we'll do the job. Please help us to help ourselves.

The municipal government and provincial government make housing code laws and

don't enforce them. The result is that the poor are being exploited by paying rent for hovels. Why make laws if they are not enforced?

Welfare and low income citizen groups are organizing all over the country, and very much so in Montreal, for the purpose of securing the following human rights: the right to information, right to representation, a decent suitable or a guaranteed annual income, adequate housing and subsidized rental, education, including adult education and training, complete health and medical services to all, and to those in need assistance regardless of circumstances, the right to control one's life in dignity, including material resources and services.

In closing, please don't wait until we get too angry. I'm sorry.

The Chairman: Thank you very much, Mrs. Boyd. I am sorry that circumstances are such that you had to put yourself in this position. We hope that will not last.

Senator Fournier: Mr. Chairman and members of the association, we are very glad to have you with us this morning. Perhaps I should tell you that there are times when we may be asking questions that you might not appreciate. I want you to know that the questions we may be asking do not express our actual feeling. We are trying to find out what you are thinking of such a situation. Do not judge us by the questions we may be asking. We are not expressing our feelings. We have been on this for quite some time and have heard all kinds of stories such as we heard this morning. We feel awfully sorry and hope we can achieve doing something about it. I don't know how long it will take, but that is our purpose.

Having said that, I think there are many questions to be asked here, and I will start with the statement that the main criticism of our social security system today relates to its failure with respect to anti-poverty objectives. The Economic Council has pointed the issue of poverty in Canada when it stated in its fifth review that the numbers are not in the thousands, but in the millions.

What I want to say about it is that—I am going to try to be as brief as possible—we in Canada, in my time anyway, we have lived through three wars: 1914, when I was rather young; 1940 to 1944, when I was a young man and played what part I could, and then the Korean War. Throughout these wars, in

Canada we have seen great prosperity. The country has never been damaged or hurt by war itself. Everybody worked. Everybody was making money while people of the European countries were being slaughtered; some 200 million had to pay the supreme sacrifice, not including six million Hebrews who were massacred. It was probably the worst time in the history of human life. All through this we never suffered. We slept quietly at nights. We were not afraid of bombs or anything like that. Everybody worked; everybody made money. Yet we find that most of the countries that suffered the most have recovered, while here in Canada, after all these years of prosperity, we have to admit today that we have been a failure. We find, according to the Economic Council, as I read this brief, the numbers affected are not in thousands but in millions. In your opinion, where was the failure? We failed somewhere. We can't hide it. We have to admit it. Even today almost everybody seems to think we have great prosperity on Canadian soil. Where is the failure? What was done wrong?

Mr. Davis: I will say something to it. I think everybody else may have a different idea. Let me give an example right now which may illustrate what I think about it. For instance, there is now a program in the area where I am working, Little Burgundy, for housing, for redevelopment of the area.

Senator Fournier: Before you go farther, would you tell us about this Little Burgundy? What area?

Mr. Davis: This is the area in Montreal which is bounded on the north by St. Antoine Street, on the south by the Lachine Canal, on the east by Guy Street and on the west by Atwater. In other words, it is just a little bit west of downtown and fairly close to the river. It's an old area of the city, and when the Trans-Canada Highway came through this area they decided they were going to have urban renewal in Little Burgundy because of the poor housing there. Well, there is no doubt there is some poor housing in the area.

What they are doing doesn't, sometimes, meet the expectations of the residents; it meets the expectations of middle class people for their kind of housing. I think many residents would like an upgrading of the places they have, because they are low income people and cannot afford the big kind of rents they are going to be charged when they have nice places. They just can't afford that, so we have an area of urban renewal, and it's nice.

What is built is nice. They have already completed part of it called St. Martin's block. It is very nice housing and the people living there like it. There are to be four more areas like this. I don't think it is a bad thing, but I want to point out an aspect of it.

Senator Fournier: You are referring to the high apartment buildings?

Mr. Davis: No, they are not high. It's really been thought through; it is well planned and I think it is as good a program of urban renewal as I have seen or know of anywhere. Of course, I am not a great expert on it, but I haven't seen anything better anywhere.

The thing I want to point out about it is that, first of all there are only going to be four small areas in which this will happen. The rest of it is to be privately developed, and the people that are to live there are going to have to pay a high rent. There are poor people living there now, they are going to get pushed out. I don't think they are as well aware of that as they should be.

The thing I want to point out is that \$150 million has been allocated. I know this may not sound a big sum to people used to budgeting in terms of millions sometimes, but for a small area like this it's a lot of money. That \$150 million is going to go into the pockets of workmen who don't live in Little Burgundy; it is going to go into the pockets of contractors who don't live in Little Burgundy; it is going to go into the pockets of a lot of people. It is creating a lot of jobs for middle class people, but the people of Little Burgundy just are not seeing any of that \$150 million.

If you took \$150 million and simply invested it in a trust fund it would probably yield about \$5,000 per year per family for the people living in Little Burgundy, and that would do them some good. That is not what the thing is all about. It isn't for them really. There has always been this core of people that all the prosperity has never been for. It has never been for them; it has been for other people and to create jobs for them.

Senator Fournier: What is the population in Little Burgundy, roughly speaking?

Mr. Davis: It's about 14,000.

Senator Pearson: How many families?

Rev. Johnson: Well, we will give you a breakdown on the St. Martin's block, where the housing renewal has gone on. It works out in this district to 1,200 people and 300 fami-

lies. You can probably use that ratio throughout the whole area.

Senator Fournier: Let us go back to our question of where we failed.

Mr. Davis: The point I was making on it was this. We failed when we say 'We' we are talking about us, not Mrs. McIntyre and Mrs. Boyd and Mr. Back—because we create these jobs for ourselves and we create the prosperity for ourselves. Anybody who can't fit into that is on the outside. That is where we failed. We failed to open up and be willing to...

Rev. Johnson: It is a very complex situation which deals with decision-making at one level. We use Little Burgundy as an example. When the provincial government said they were going to build the Trans-Canada Highway with federal assistance, they came in there a few years ago and told people, "You have five weeks to get out of your houses". They got out of their houses in five weeks without any help from the government to find another place to live in the city on a low income. Today, that highway is suspended in the air; it's part of the break off area of the Trans-Canada Highway. Eight hundred people were thrown out of their houses in a matter of weeks so they could demolish all the slums, but that area is blank today, nothing but rubble all the way along.

That is the kind of decision-making that goes on constantly, that brings social forces to bear upon people who have nothing to say about that kind of thing. If you want a word for it, it is a lack of human kindness or compassion and consideration for what happens when you want to build a highway and then find you don't have the funds. You can think, "In that district, what the hell does it matter to all those people there? They can be shoved all over because they are just slum dwellers." Now, that is the problem.

Senator Fournier: Is that the highway that is not finished?

Rev. Johnson: That is the highway that is not finished and hasn't been for three years, and it may be seven more before it is. Maybe the Liberals now will take care of it.

The Chairman: Mrs. Gordon, have you anything to add to this? It was suggested that you might have.

Mrs. Joan Gordon, Public Issues Committee, Family Services Association of Montreal: I have a great many things to add.

The Chairman: Well, just a few now in answer to the question put by Senator Fournier.

Mrs. Gordon: We fail to give the poor what they really need—love and respect. We haven't given them money, but we certainly haven't given them love or respect. We send them to the hospitals and they become numbers. We send them to the clothes depots which are staffed by church auxiliaries and once again they become numbers. They go there but they don't say what they need; they are told what they can have; there isn't any choice; there is no freedom of choice. If one goes in and asks what one could have for a child, one can't have it because that isn't on the list of needs that the social worker has given them. These things are what really hurt the poor, and they really do suffer, not only from the lack of money but from this lack of love and respect.

The Chairman: Mrs. Gordon, you are a social worker?

Mrs. Gordon: Yes.

The Chairman: Trained?

Mrs. Gordon: I am trained at the undergraduate level.

The Chairman: You are a social worker?

Mrs. Gordon: Yes.

The Chairman: Why, as a social worker, don't you practise what they teach you in the school of social science and provide what these people want rather than what you, carrying out the instructions of some department, say they ought to have?

Mrs. Gordon: It is perfectly true that social workers have failed the people too in some ways, because we have been working with them on an individual basis and have used up our energy on our 38 or 40 cases a year, working with those cases and using ourselves up, eating out of the bureaucratic structure that entangles us.

I have been working with a family with eight children, the father having a marginal income. This man is ill; I sent him to the hospital, where he spent a whole day, lost a day's pay and was told to go home and take aspirin. A few more weeks would go by and he would be ill again. Because of the impossibility of getting this man into a Montreal hospital we finally had him admitted to a chronic hospital outside Montreal where his

wife couldn't see him. We discovered that he was suffering from chronic protein malnutrition and chronic anxiety—the two diseases of the poor. His children were being treated with strong psychiatric drugs at the Children's Hospital for bed wetting, and really they were wetting their beds because they were afraid of cockroaches and had no blankets.

The Chairman: Senator Fournier, do you have any further questions before we go on?

Senator Fournier: I will pass on to others.

Senator Fergusson: First I would just like to say that we realize that this is a tremendous effort on behalf of many people who are speaking to us today and we appreciate it very much. I hope they remember that the members of the committee are only people like themselves, and although we may not always sound it we are very sympathetic with your point of view. If we ask questions that perhaps sound not as compassionate as you think they should be, it is because we feel we have to know all these things and we have to ask questions about them.

Mr. Davis said that some social workers are "harsh and punitive". Is this an exception or does this happen very often? Further, when people like you, Mr. Davis, or other social workers, learn of that sort of thing, do you not try to report those who act this way, and if you do, does it have any effect?

Mr. Davis: Well, I think maybe Mrs. McIntyre could speak to how many people there are better than I could.

Mrs. McIntyre: In what way, Mr. Davis? You mean the welfare people?

Mr. Davis: You know, there are some that are good and some that aren't.

Mrs. McIntyre: Some of them are understanding; they try to help you, but it has to go to someone else. You see, they come to see you; they ask you all kinds of questions, and then they take the report back to the office.

Senator Fergusson: Yes, but Mr. Davis said some of them are "harsh and punitive". I would like to know if the majority of them are like that or if it is only the exception.

Mrs. McIntyre: You will find a few, really. They come into your house and they insult you, they ask you all kinds of questions. It is embarrassing at times.

Mr. Davis: There are all kinds of social workers in terms of their training, too. When I mentioned social workers being harsh and punitive, what I had in mind—although Mrs. McIntyre may have other things in mind—were some of the investigators with the Welfare Department, many of whom have very little training. Sometimes these are patronage jobs, I think. I think myself that there is a design to the fact that some of them are chosen and left in positions where they are harsh and punitive. I think this tends to reduce the number of people eligible for grants; it also tends to reduce the grants and to be a money saving thing because I think each local office of the Department of Welfare—although they will deny this to the sky—has a quota of how much money they can spend in a year, how much they can give out in grants. Therefore, if so many eligible people come to them they have to screen them out, and they have to have people like that in order to do it. I think it is the system that does this to people. I think it makes people harsh and punitive.

Senator Fournier: What would be the average age limit of those inspectors? Do you know, roughly

Mr. Davis: In the Welfare Department?

Senator Fournier: Yes.

Mr. Davis: Age limit?

Senator Fournier: Where do you find the toughest one? In the older age bracket or the younger? Do you think a younger fellow would be tougher on a poor family than an older one?

Mrs. McIntyre: It all depends, sir.

Mr. Davis: She can answer that.

Mrs. McIntyre: When a young married man who has small children comes to see you he will try his best. Then you may get one who is older, who will not listen to you, he is very rude to you, very insulting.

The Chairman: You are speaking, of course, of clerks rather than social workers?

Mrs. McIntyre: Yes, clerks.

The Chairman: Senator Fergusson has the floor.

Mr. Davis: I don't know whether we answered the question. The other part of it was what? Do we do anything about it?

Senator Fergusson: Yes.

Mrs. Johnston: If I may make a comment, we have met with the City Welfare Department from time to time and raised these concerns. There was a meeting, I think, a year ago. How effective has it been? I think Mrs. Siegel and Mrs. Prince, who are social workers with clients, deal on this basis more closely with the Welfare Department.

Mrs. McIntyre: Excuse me. In November this investigator went through my house, and even opened up the stove.

Mrs. Johnston: I wonder if Mrs. Siegel or Mrs. Prince have a comment to make on relations with the City Welfare Department?

Mrs. Lillian Siegel, Public Issues Committee, Family Service Association of Montreal: A part of the problem is the feeling of helplessness we all have. As this lady was saying, we are just citizens, and again we are just social workers. We have to refer our clients to the Legal Aid Department, and if they are treated poorly what can we do? Our hands are tied as well. We try our best. We feel the same way you do after hearing these ladies. We identify with the clients; we feel for them, but what can we do? This is why I am wondering if we can deal with this here. What are we prepared to do now? Are we prepared to look at this guaranteed annual income solution, which may do away with this investigator kind of approach? We do meet with the Department of Welfare, and luckily we solve some problems, but they will also say we have to go to Quebec or depend on other officials.

The Chairman: Mrs. Prince, have you anything to add to what Mrs. Siegel has said?

Mrs. Ellen Prince, Public Issues Committee, Family Service Association of Montreal: Yes. I think there has been a willingness by the welfare departments to share. However, I think the kind of representative we need is an unusual person in this position because of the need for particular training or capacities for liaison work. These are very few such people, and they themselves will say that they face an overwhelming job in relaying this kind of human approach down all the echelons of clerks who are low paid, and so on. They are aware of the problem, but I think at the same time they would say it is a bit more than they can cope with.

I would like to comment on something that we are tossing around. It is rather a point of

view that in some ways I think those who administer the City Welfare are really almost defending the coffers. You may apply, and, if you prove a good case, may finally get yourself through the door and eligible. But it is as though they are defending something, and somehow or other I think this is where some of the anger and feelings of punitive treatment arise. They are defending something they don't basically see that the average citizen has a right to until they prove they have a very good case. This is the position from which I believe they operate.

Mr. Davis: I would like to add one thing in answer to Senator Fergusson's question. This is a hard question for us to really come to grips with—"Why don't we do something about it?" I think it has a little bit to do with risk taking; it is a selective process that eliminates people. It just basically gets them fired or pushed out of positions where they are able to make human decisions.

Let me give you an example. I might as well name names around here. There was an incident recently in the St. Martin's block in which there were difficulties between some City employees and some children from the family of one of the residents; a fight developed and the matter went to court. One of the employees in the Habitation Office—which is the St. Martin's block office that facilitates the public housing there—is a very courageous guy, and he stood up to the City officials who were about to throw these people out of their homes in the St. Martin's block because their kids had gotten into a fight with one of the janitors. It was a serious fight and one of the janitors was seriously hurt; it wasn't a minor incident by any means. Nevertheless, that is no reason to throw a whole family out of their housing. Consequently he stood up to the City officials who wanted to throw them out, and the thanks that he got for his work was being kicked upstairs into another job. I don't know whether it's kicked upstairs sort of kicked parallel I think. Ken, can you help us out?

Mr. C. Ken Banks, Community Organization Worker: He was moved immediately, the same day. His job was changed to a different type of work.

Senator Fergusson: I have a lot more questions, but I think I had better let someone else continue.

Senator Pearson: I was just going to comment on Appendix C, concerning debt and the

peddler. Is there any control of peddlers at all in Montreal?

Mr. Davis: Yes. I think we should at this point hear from Mr. Banks. He is kind of our expert in this area.

Mr. Banks: Well, many of those situations are emergencies, crises, when they happen and you do whatever seems logical. I guess we go on the seat of our pants when we try to get through this type of situation. We call lawyers and other people who should know something about this.

In answer to your question, there doesn't seem to be very much control. They may have to have licences and this type of thing, but there doesn't seem to be very much control of their activity. This is the reality officially. There may be very strong restrictions, but they are not effective. I guess that is the reality of it.

Mr. Davis: You might give him Smith's figures. In about 80 per cent of all financial transactions to buy goods and services in the province of Quebec, the buyer has no legal protection, no protection whatsoever.

Senator Pearson: This is the real problem of the whole thing?

Mr. Davis: On the consumer side it is. We think there are two areas that make the problem. One of them is income and the other is how much people can get. Another aspect is how they have to spend it. I think Mrs. Boyd is a good example of that. She may get a little more money than Mrs. McIntyre, but it is how she has to spend it that puts her in practically the same boat. You know that the average Canadian is in debt. He is in poverty really, basically, because if something ever happened to him that he couldn't work, then he would be right with Mrs. Boyd and Mrs. McIntyre. We all would be if something happened to us. It's that simple.

Senator Pearson: Would you advocate more protection for the consumer or the borrower?

Mr. Davis: Yes. I would advocate nationalization of credit, all credit. I think that if in the province of Quebec you nationalized credit and charged a straight 6 per cent per annum interest for credit you could finance the entire educational system for the whole province, just with the income you would make from credit. But, of course, you might have a little hassle with some of the finance companies if you wanted to do that. I think

this is where the real crux of the matter is, because these are very powerful individuals that control the money and the purse strings, and they tell the governments what to do.

Senator Pearson: These pedlars are not very powerful individuals. They may be powerful in their own community, but not nationwide or citywide.

Senator Fournier: They are very powerful salesmen, sir.

Mr. Davis: For instance, Mrs. McIntyre and I have a big hassle over credit, because she is on welfare and she can't get the regular kind of credit that you would get from some of the department stores. You would pay 18 per cent interest a year,—big deal. So I say to her, "You are lucky you don't get that." She replies, "I am not lucky because I have got to have things." Therefore, she has to get credit from pedlars and other people. How much does it cost you in interest?

Mrs. McIntyre: Sometimes double.

Mr. Davis: Thirty-two to 36 per cent.

Senator Pearson: You were talking about the underprivileged being denied the right to partake in the direction of their own destiny. How would you solve this problem, or have you any idea how this can be changed?

Rev. Johnson: In my elaboration of this, I suggested that there are three methods necessary to develop the community. One of them is the employment of, as I said, positive symbols in particular areas of our society, and these symbols have to do with helping people to understand the positive aspect. What kind of a symbol is it—and you know what I speak of when I speak of a symbol—when a government comes in, moves people out of their homes, calls it a slum area and does things that psychologically upset people? These things must be done so that people are not imposed on and degraded as human beings. The second point I mentioned was that there is no grass roots social structure; there are three different governments at the federal, provincial and municipal levels all operating in a world that has nothing to do with the people that they are dealing with.

You talk about a man like Frank Hanley, who is our counsellor. He was just defeated, but the point I am making is that his was the only kind of relationship that people could have; they would phone him, he would make some comment and send a letter to somebody,

but you would never hear anything more about it. I mean, where is this social structure for the people to have anything to say? It doesn't exist. What is happening is like our whole governmental system is operating—in a vacuum; it talks to itself and thinks it's representing the people.

Senator Pearson: You referred to the unfinished express highway. This is one of the things that I feel is wrong. You have no co-ordination between different groups of governments.

Rev. Johnson: That is just what I said. You don't have the co-ordination; each level of government operates in a vacuum. The municipal government operates in one vacuum and so on.

Senator Pearson: They displace all the people living there because they want a highway. They want urban renewal so they say "All right, we will have urban renewal. Put another class of people in there. Get rid of the people that are there now, because they are no good."

Rev. Johnson: Exactly. The force being exerted is a political force in three different areas, like three different wheels just rolling over the social context underneath, which is the people those three governments are supposed to represent.

When you have one man who is supposed to represent thousands of people, he can't. It's impossible. There is no structure down there at the grass roots level for anything to be known. What voice do they have?

I mean, today you talk about the organization of the poor. Boy! I'll tell you, they are trying to do the best they can.

Senator Pearson: I would say the social worker should be called in on all these projects, because the social worker is really in touch with these people.

Rev. Johnson: I will go so far as to say that you might be walking down the right path when you say that, but I am suggesting at the beginning of this little elaboration that there has to be some comprehensiveness to this. It's a multiplicity of complications, if you want to put it that way; you have to have representation at a grass roots level, and the social worker himself isn't at the grass roots level.

I live adjacent to the area myself and am down there 90 per cent of the time, but even people who live in the area, don't know what

is going on sometimes. So, you see, that isn't the answer. The answer has to do with a kind of social structure that doesn't exist, that is going to be comprehensive, so that we can plug in all the technology of our modern world so that the guy on the grass roots level gets it, and especially the poor. When you find the Post Office strike disrupting all the letters to these people who are crying for a dollar just to buy their next day's food, or that day's foods, you can see how social forces disrupt the underprivileged. They have nothing to do with it. It's just a wheel grinding them under.

The Chairman: Mrs. Linkletter, have you something to add to this aspect? Mrs. Johnson suggested you might have.

Mrs. A. Linkletter, Public Issues Committee, Family Service Association of Montreal: When Senator Fournier asked how we failed, I wanted to ask whether you have heard the tape that was presented at a medical convention on brainwashing of the prisoners of war during the Korean War. This bears very strongly on it; this is the answer to the question. That tape analyzed how American soldiers were brainwashed and the analysis brought out certain factors. It brought out the factor that of the American soldiers—unlike the Turks that came out of the camps 100 per cent—six out of ten, or four out of ten, depending on the camp, were able to be brainwashed, or came out of camp in a pitiful state, or simply died. Six out of ten died in some camps. Why? The analysis was that basically Americans have no loyalty; they have no loyalty to their home, to their church, to their community, to their country. We have failed to teach loyalty. They don't understand the very basic human concept of "Love thy neighbour." They don't know their institutions. This is one of the things that came out.

I feel very strongly about this, that we haven't taught values. I don't mean just the poor; I mean everybody. This is part of our whole system. We haven't taught values and—something that I have been pleading with my political party to do for years—we haven't taught our political institution structure to people. They don't understand it. Why do we have the Frank Hanleys? The power is at the base. People have power. If they organize themselves they can do anything. They can throw out the Frank Hanleys.

This is one thing I am fighting in my own county at the moment. When you elect peo-

ple—and we all have power; all have people power—you fail in the democratic society if you don't do one thing. You don't only select good candidates and work to elect them, but the most important function of all, which we haven't taught people, which the power structure has avoided telling people, is that you have to make them responsible to the group that elected them. It is that watchdog part of democracy that counts.

One recommendation the Senate could make is something Mr. Trudeau has been doing in the federal Liberal Party, I have seen a great change in the federal Liberal Party since he became Prime Minister, in the whole structure of the party, the openness of it. Even welfare organizations such as family service organizations—God bless them!—SPWC and a few others, are the most undemocratic institutions you could ever come across because they are not responsible to anybody. They have nice boards, and I sit on one, but they are just chosen out of the blue, they don't really represent the community, and this is a recommendation I think should be made. If you are going to have that structure and that institution in the community, I think that somehow or other you have to recommend that we have a good representation of the community. In a democratic society you should elect those boards from the grass roots and they should be open to everybody. Why should a few people sit down and make the decisions?

The Chairman: Mrs. Linkletter, in the first place, let me say that I read that article in the *New Yorker*, four issues of it, a couple of years ago. I did not quite come to the conclusion that you did, but I re-read it because it was such an interesting article, the first of its kind I have seen. I saw comments on it and I am afraid they did not take quite the same views that you did. There is a great deal to what you say, but let me say here you are activists, you are all social workers and all interested. Let the committee ask you a question for a change. Under the Canada Assistance Act Mrs. McIntyre has a case, has a claim, and she has told us all about it. There is provision under the Canada Assistance Act for her to appeal that decision. In your province, of all the provinces in Canada, there is no appeal board established.

Mr. Davis: We are painfully aware of it.

The Chairman: If there is, it was just established recently. How many appeals have been

entered on behalf of these people by your organization?

Mrs. Linkletter: I can't answer that one, but I can tell you one thing. In our province appeals are almost unheard of at any level, and one of the reasons is that we don't know and understand the structure of the institutions. For the little bit of knowledge that I have gained in my own community I had to dig and dig and dig, because nobody knows, and the people who know don't want to tell you. I think it is the government's responsibility to see that people have this knowledge.

Rev. Johnson: If I might just add something in regard to this question, one thing that the government lets the people know exactly what to do in terms of their rights is how to pay their tax. Everybody understands that. It comes out in nice booklet form, and that is the kind of grass roots involvement that is necessary to make these statutes known. With my college education I can look up all the answers that have been provided by the statutes of every government in this country, but I can't expect Mrs. McIntyre to do that, and that is part of the problem.

The Chairman: Rev. Johnson, I am not asking Mrs. McIntyre to do that. We have seen Mrs. McIntyre and heard the type of life she is leading. I am asking why you didn't do it.

Mr. Davis: It is really more grim than you are making it out here, because you are saying, why don't we appeal? We go down to the welfare office and we are told there is no appeal beyond the director of the particular welfare office. We go to him and we hassle him all the time, and the people in the community hassle him, but they don't get very much out of him, you see, because there is no way to go beyond him. Not only that, but we can't even get the...

The Chairman: You say there is no way you can get beyond him. Of course there is. The statutes say there must be an appeal under the Canada Assistance Act. This is plain and simple. It has been there since 1966. We passed it. We know all about it, and everybody else in the country seems to know about it.

You have within your province a legal aid system; not too good a system, but you have a system. Why hasn't somebody taken that case to court? It doesn't cost you anything. Why hasn't somebody taken it to court for a decla-

ration on that? They have not, and they must comply with the act. It is as simple as that. The Americans have been doing it for the last five or six years. The result is they have case law on it so that a person like Mrs. McIntyre is protected. You may lose the case, I don't know, but at least she goes in there under your guidance and the guidance of the legal people and helps establish case law; in United States they have taken their cases to the Supreme Court of the United States and established rights. We raised that with Mr. Borovoy when he came with the Civil Liberties group, if you remember. They said they would. That is one of the things you people should have done.

I am not being critical. You have a tough job. But when you tell us certain things that should happen are not happening, I would indicate to you that this participation should not only come from us; it has got to come from you, and unless it comes from the people in this fashion we are not going to get very far.

Mrs. Prince: May I just make a suggestion for the sake of keeping the thing in proper perspective? For every Mrs. McIntyre who happens to have a social worker who may or may not know the channels of appeals, there are hundreds of people who are so involved in the whole culture of poverty that they haven't even begun to make it, as Mrs. McIntyre has, to a social agency. We must always remember when we think of one series of steps that can be taken that there are many, many more who haven't even begun to get mobilized.

The Chairman: Mrs. Prince, all we need to do is to establish one case and you have got it made. The rest of them can read and they can tell exactly what the score is. You don't have to establish too many of those; just one.

Mrs. McIntyre: Sir, you say establish one person. I have five children. Will I be guaranteed my money next month or a month after?

The Chairman: The one thing that the courts have said is that until such time as there is a declaration—other courts have said this and ours will say the same thing—you can't interfere with the person's welfare allowance; it must remain. That is basic. Let's get on. Senator Pearson, do you have anything else?

Senator Pearson: A fragmented social work has no real value. Who made that statement?

Rev. Johnson: What was the statement again?

Senator Pearson: The fragmented social work is no real value to you people in that community.

The Chairman: I don't think he said social work. I think fragmented remedy to poverty is what he said. Is that right?

Rev. Johnson: Yes. I said a fragmented approach with one project here and another project there.

Senator Croll: You remember the United Church raised it?

Rev. Johnson: Yes.

Senator Pearson: Fine. I pass then.

Senator McGrand: I go back to the statement that you made earlier, that is in your brief, on which there has been considerable discussion: You refer to the grass roots social structure that does not exist. We have spoken quite a bit about this, but in urban renewal there are many factors involved. It is going on in practically every city in Canada. The land in certain areas where the housing is not too good will yield greater taxes to the city if the houses are demolished and a high rise building is put up. Another factor is that the developers are interested in this sort of thing. The construction industry depends on it and the labour unions in the construction trades depend on it.

Without this sort of thing going on business would drop off, but at the same time it must place an awful burden on the people in these areas. Now, it seems to me that all the houses in those areas need is a little fixing up so that people can live in them.

Mrs. McIntyre: Right.

Mrs. Boyd: Yes, sir.

Senator McGrand: Now, we have talked about brainwashing here, but there must be an awful lot of brainwashing going on in order to persuade those who are in charge of things to carry out this sort of undertaking. That leads us back to the question of the grass roots social structure that does not exist. I would like to start the discussion from that angle again. Do we need this type of urban renewal going on, the demolition of half decent housing and the erection of massive buildings?

Mr. Davis: I think it keeps the economy going. In that case it is a good thing.

Senator McGrand: And you pay a price for it.

Mr. Davis: That's O.K. Let's keep on doing it. That's fine, but let's not take it through Little Burgundy. Let's not take it through Lower Westmount where I live. Let's take it through Upper Westmount, because the people there can afford to get housing some place else. Let's take it through Mayor McIntyre's house. Let's take his house for it, you see, but not that of somebody else who can't afford it. I don't care. If it supports the economy, fine. Let's bring it some place else.

Mr. Banks: I think this is part of the reality in Montreal. I don't have the specific figures, but just from a newspaper article I was reading in the last few weeks there are, I understand, in let's say the last 10 years, approximately 20,000 housing units that have been demolished because they were substandard. Yet I don't know how many new low income units have been built between the Jean Mons project and Little Burgundy. Perhaps, shall we say, 2,000. Would that be possible? Maybe 10 per cent have been rebuilt as new housing units. Therefore 90 per cent of these low income housing units that were demolished have not been replaced. What was gained by tearing them down?

Senator McGrand: That is what I want to know. What was gained by tearing them down?

Mrs. Boyd: The city gets the land.

The Chairman: We are not going to obtain the answer to that one while we are sitting in here. What is your next question?

Senator McGrand: I wouldn't want to be diverted off that one.

Mr. Davis: We think it's a lousy idea, to put it bluntly.

The Chairman: Senator Quart has a question.

Senator Quart: It is not along these lines. On Appendix D, paragraph 2, you say:

The welfare system is designed for the purpose of making bureaucratic jobs for middle and upper income people—not to serve the poor.

Then you go on to ask, "Why is this elaborate system needed?" You then say:

The traditional answer is that it prevents fraud. The truth is that most poor people are very honest and scrupulous.

As a matter of fact, I think most people are whether they are poor or not. We only hear of the dishonest and unscrupulous ones. This is hard to take:

Many very rich and middle income people get that way by being dishonest. Yet the myth persists that the income of poor people should be reviewed before they are given welfare while the rich and middle income are presumed honest enough that random spot checks are deemed sufficient to ensure that taxes are not being cheated on.

Mr. Davis: I made the statement, senator.

Senator Quart: That is why I am asking you, Mr. Davis.

Mr. Davis: I am not sure, though. You say that you are challenging...

Senator Quart: I didn't say. I am asking you. You said it.

Mr. Davis: You are asking me to prove it. Right?

Senator Quart: Yes.

Mr. Davis: Alright. I can't prove it. This is another aspect of this whole thing. We can put the spy-glass on poor people and examine every minute part of their lives, even to how many times they go to the bathroom in the daytime, but in many respects we do not have the basic facts about the incomes of rich people that we need. For instance, why aren't the incomes of the foundations thrown open for public scrutiny? Why are these men allowed to use these not-for-profit foundations to carry on their high finance work and shift their funds? I know for a fact that this happens in America because this is documented in *The Rich and Super Rich* by Lumberg, when he says that the rich people use these foundations to get out of paying taxes. They will give money to the foundation, they won't have to pay taxes on it because it is a gift, and then they will have the foundation loan it back to them at 1 or 2 per cent interest, so they have their money back again. We don't watch their comings and goings at all as we watch poor people's, so I can't answer the question.

Senator Quart: I think you must agree that there are a tremendous number of people, of even moderate incomes, who are doing all they can as individuals. As you mention, these funds, do you think some of these funds are being used for let us say, the Canadian Institute for the Blind and many others. What would these groups do without such funds?

Mr. Davis: I'm sorry. I am not talking about the funds that go to the usual kinds of charitable organizations like family service organizations.

Senator Quart: I mean the foundations as well.

Mr. Davis: I am talking about the McConnell Foundation, for example, and others like them.

The Chairman: Wait. Mr. Davis...

Mr. Davis: I want to know.

The Chairman: You ought to know before you make the statement. That is what we are getting at. I know what you are talking about, and I have read the book too. They talk about the large American charitable foundations that once upon a time practised the method of loaning back. That does not happen in this country and it is not permitted under our foundation system law. Our foundation system is very tight in this country, and it does not happen here in that fashion. If a man establishes a foundation it is for a purpose. He is given an exemption from taxation, but from then on it is used for whatever purpose that he has to account for. The sort of business that was done in the United States at an earlier period is not done here. It is not even being done in the United States now, because they have tightened their laws.

Mr. Davis: I just think the financial affairs of rich people should be more open to scrutiny, because the financial affairs of poor people are. That is my point.

Senator Quart: I am not a business person, but I cannot go along with you there either. I think most people receive scrutiny from the Income Tax Department, and I think maybe the middle income or rich people receive more scrutiny. Personally, I think they should and that they do. Anyway, we are not going into this argument, because my conscience is clear. Perhaps you will help me to collect rent on two properties I have to have in Montreal to qualify myself for the Senate. The rent is

four and five months behind because the man is unemployed. I have not increased the rent. This is just a little committee of one I am talking about, and I believe there are many, many more the same. Perhaps you would help me to collect the rents as an absentee landlord, which I don't want to persecute these people to do or put them out, because where would they go? I am sure your statement was not meant in that way, Mr. Davis; you look much too nice to mean that the rich and middle income people get that way by being dishonest. If you mean they increase their income by being dishonest, I think that is a little bit rough.

Let me also ask you this. Do you receive the co-operation of Manpower to find jobs for the poor, and do the social workers go over and above their duties in the office to maybe inform Manpower and try to secure a job for these people?

Mr. Davis: I wonder if Mrs. Banks would speak to this.

Mrs. Patricia Banks, Social Worker: We phone them regularly, occasionally with some success, but not consistently, because often the people we are concerned with don't have a skill or training. Manpower doesn't have jobs for them.

Senator Quart: There is a certain somewhere where the unskilled person can be placed in Manpower.

Mrs. Banks: Only if employers are looking for unskilled labour also.

The Chairman: Senator Quart is making this point. Is there not a department that looks after the skilled and the unskilled?

Mrs. Banks: But they don't always have jobs.

The Chairman: She didn't say that.

Senator Quart: I can understand that, but do you...

Mrs. Banks: That is what we are concerned with, whether people get jobs or not.

Senator Quart: Have you not even a limited amount of success, or do you just say, "Well, it's no use phoning"?

Mr. Davis: Let me give you an example from Mrs. Banks' case load. It is an example of a fellow who gets caught in bureaucratic red tape. This fellow is a seaman, a fireman, and he makes good money when he is work-

ing. The trouble is that he had an ulcer, he was unable to work for a while and finally ended up on welfare. Here is this poor fellow. He is now able to work again, but he sits at home on welfare because he can't scrape up \$240 for his union dues. The Welfare Department says, "We'll give you the \$240 if you get a job first." The union and the companies say to him, "Well, look, we can't hire you on until you get your dues paid". He's caught right in the middle.

Here is the extent of what we are trying to do. We were even going to pass the hat around in our office to try to scrape up the \$240 for a loan to this guy, which he could pay us back afterwards. But we thought, "No, we are not going to let the province off the hook that easily if we possibly can." We may still have to take up the collection. We went to the provincial Welfare Department; we wrote them a letter fully explaining this fellow's difficulty and said our agency would be happy to advance this \$240 for him so that he could get his union dues paid up and could go out to work. We explained that he had a good opportunity that week to go out on freighter, that he didn't have his union dues but our agency would advance the money if they would guarantee it. We have taken all the risk out of it, you see, and we haven't heard from them yet. We just sent them a telegram to see if they were going to answer us, but in the meantime this guy may never be able to get out now because he missed a chance.

Senator Pearson: How did he lose his union membership?

Mr. Davis: He didn't lose his union membership; he couldn't pay his back dues. He still has his membership.

The Chairman: Mr. Davis, in such an instance—and this is merely for clarification—it seems evident that you are not getting anything from the bureaucrats. Would you not have a little reserve from which to pay it, when you knew he had the job and could pay it back later from his salary? Would you not have a little money of your own within the organization—I don't mean personally—but within the organization little kitty to pay it yourself in order to get this man working; He could pay you back later?

Mr. Davis: If there is an expert on the agency budget here...

Mrs. Prince: I am one of these people who are always after risk money. They accuse me

of handing money on the corner of Népean and St. Catherine. It isn't true at all. I just feel the need because I work with the grass roots. I was appalled to find out the other day that our agency has \$500 per month risk money.

The Chairman: "Risk"?

Mrs. Prince: Yes. Risk money. \$500 for the whole agency. I have stopped asking because it's so ridiculous. It has made us a nickel and dime agency, because we have been nickel and dime social workers. We are going to change; we are going to become active; we are going to be strong catalysts within the community and turn people on to what is really wrong.

Mr. Banks: I understand—I don't deal with the budget—just from talking to some of our administrators within the agency that there are provincial controls of how much money is available to give out for this type of thing. We are very definitely limited by law, by the government, on how much of this type of thing we can give out, and if we give out more than a certain amount we are penalized in our budget for workers' salaries and administrative costs. This is only secondhand knowledge. You would have to speak to an administrator.

The Chairman: I do not think you are right Mr. Banks. The agency has a budget and within that budget you do as you please. I am sure there are no limitations. You use good sound judgment. I just saw the budget.

Mr. Davis: It's not that easy.

The Chairman: If you are a private independent agency...

Mr. Davis: Well, we're not. A third of our funds come from the province.

The Chairman: Yes, \$150,000 out of \$450,000.

Mr. Davis: I don't know whether I am talking out of school or not. I'll talk, anyhow. It has traditionally been a complaint in Montreal, for instance, that the English-speaking community gets all the welfare money and the French-speaking community doesn't get it. I think there is some truth to this.

The Chairman: We had the Welfare Director of Montreal here. What is his name?

Mrs. Johnston: Mr. Seguin.

The Chairman: Yes. Mr. Seguin made a good impression on us here in presenting the case as a knowledgeable, able man. We have seen a great number of them. He indicated, if I am not mistaken, that 75 per cent of the people of Montreal were French and they were receiving 90 per cent of the welfare. I am pretty sure I am right on that. That was his statement, so the statement that you make doesn't fit into his.

Mrs. Johnston: May I clarify this?

The Chairman: Yes.

Mrs. Johnston: He was talking about different funds from what Mr. Davis was talking about. Where our freedom might lie, in terms of funding, is the grant we get from United Red Feather Services, which is the other large grant we get.

The Chairman: \$250,000.

Mrs. Johnston: On the other hand, what has happened, in effect, is that there has been a ceiling on what is being raised by the Community Chest in Montreal for the last five years. With increasing personnel costs to hold our staff, to whom obviously we have to give annual raises and so on, we are penalized and faced with the problem of cutting back. We have received no increase in the grant from United Red Feather Services in the last five years, I would think. As a matter of fact, from most member agencies there has been a cut-back in service.

In the area of emergency funds, as you are, I am sure, aware, a number of years ago the administration of the provincial welfare funds was undertaken by the agency itself. It was under the old Quebec public charities act. We acted for the Government. That change over meant a considerable reduction in the operation of Family Service for a number of years. I think there was a time we were administering funds for the professional social workers and the agency. It dropped off considerably and is now back to a professional staff of 35.

We had a considerable change in policy in working things out, and more and more the Government has undertaken responsibility for various areas of agency service, and, as you can see from the budget, they are meeting a considerable portion of it. On the other hand, our free funds are what we would expect to have some flexibility in our planning with. This has tended to be eaten away by the fact that the Government very often has given verbal assurances to underwrite the expense

of a project; in subsequent reviews this may be several thousand dollars and it hasn't been possible for them to meet that. I am not sure if this is related to a home care project, but there was a project approved by the Government, on which I think, the Victorian Order of Nurses and Family Service co-operated. It was our understanding that the Victorian Order of Nurses would assume responsibility for a debt of, I think, approximately \$1,000, or slightly more, and we still carry it on our books from a year and a half ago. The Victorian Order of Nurses hasn't been able to do it.

We are caught in decisions being made on many levels so that our freedom, even for an emergency budget, is very limited. I think you find a policy may seem rigid and limited coming from the board of directors because we are under particular instructions from Red Feather and the province not to run up the bill.

Senator Quart: Believe me, I am very concerned about the poor and have always been in voluntary service, so don't think I am being tough about this. I am very concerned about the case of the seaman who had a job to go to but couldn't pay the \$240 union dues. Did the social worker, or someone dealing with that case, go to organizations such as the Kiwanis, or the Rotary Club? I am sure if they had been approached you would have had that money, and he could have paid it back.

Rev. Johnson: I'd like to answer that. The question posed, senator, is based on a concept of operation that doesn't exist, which is that these people and organizations and so on have the compassion to see this. They operate in an administrative financial concept. Even some of the board that I sit with for Family Service are operating in this administrative financial concept, that if we can see some return we will buy something for them, some object, some material thing, we will contribute the money. But when you start saying we will have to risk money from our organization for someone from whom we might not get it back, that isn't understood by the people who have the purse strings.

Senator Quart: I agree, but that man had a ship to go on immediately and I would have broken every rule to try to find even an individual who would trust him. As even you yourself say, they are honest and scrupulous. I would have done everything over and above that.

Senator Fournier: I would like to add something to this, not to be critical of this man, because there are so many cases like that. What effort did the man, himself make to get the \$240? Or did he stay at home and say, "I haven't got the money"? I think the effort should start first with the individual, then from there call for help.

Rev. Johnson: Well, sir, there is one point I want to try and get across, which I mentioned at the very beginning. We are dealing with human beings who have been depreciated psychologically. Have you ever had any state of depression in your own life, sir? Have you ever had any feeling that you didn't know where to turn next? Have you ever felt that when you woke up the next day there would be nothing you could do? Have you ever felt, because of a death or something happening to your life, completely closed off from the world?

I am saying to you, sir, that when the conditions of a man's life are such that he has never known any psychological victory for his own personal ego or over the environment in which he lives, it is difficult for him to act responsibly and understandably in his daily life. What I am saying is that the psychological thing is deep, and often we have to look at it as though society is the mother and he is the baby and we have to give milk to him; and it may mean that we have to give milk for a long time before he is psychologically able to stand on his own two feet, as every baby has to learn to do. I say that because of the multiplicity of problems and fragmentation of the help there isn't a good enough mother available to wean that particular baby to a point where it can make responsible decisions.

Senator Fournier: Well, I am not going to start an argument with you, because I think that in some cases we are far apart, although this is a subject that I would like to discuss with you. I don't share all your views by any means, because I think you are particularizing on one case. I am talking of the average man. I want to know from you what an average man has done to help himself?

Rev. Johnson: I say to you, sir, the underprivileged cannot be rated categorically on the basis of being average.

Senator Fournier: You are taking the whole rule in a bag.

Rev. Johnson: I say that when you talk about the poverty situation in a bag you are

talking about psychological problems of people who have faced it all the way from their birth. It's a vicious cycle, sir.

The Chairman: Mrs. Prince, you wanted to say something?

Mrs. Prince: Yes. May I answer the senator's question about the possibility of exploring other resources in the community, and also underscore Mrs. Johnston's answer that both the Red Feather and the province, which are sources of funds, don't go into debt.

I think the social agencies have had many, many years of exploring, developing and using, in numerous and very imaginative ways, community resources. The agencies themselves have spent a lot of community money; we have really had to stop and take a good hard look at what we are doing, and we decided that what we are doing is putting on Band-aids. We are running around putting on Band-aids but never getting at the illness, at the problem. This is one more instance of an endless series of situations in which we could have done this and might have done that, and I can appreciate your looking at it from your point of view, but it is still another Band-aid, and it still has not come anywhere near the underlying problem, which has something to do with the full economic structure that this man got caught in in the first place. We have to make a choice and we still have to Band-aid work. But we are also saying that we must make a choice and we must deal with the illness. I think this is part of an answer, too.

Senator Quart: There is only one point on which I differ with you. I agree with you on the other matter, but this was not a case of alleviating suffering for the moment. This man had a job waiting for him. He could have boarded that ship; he was assured of the job. Maybe I am being overly enthusiastic about the whole deal, but this is different from a case where a person might want food or something. This was a case of a man having a job, and I would have moved heaven and hell to find somebody who would trust him.

Mr. Sam Mhlanga, Staff, Family Service Association of Montreal: I was just going to say, sir, that we seem to get caught in discussing incidents. We have taken up ten minutes on this incident and I am wondering to myself why you don't look at what lies behind an incident like that instead of wasting time talking about the little things about the incident. That's all I have to say, sir.

The Chairman: That is what Rev. Johnson has been saying, isn't it?

Senator Quart: Yes. Since you mentioned the incident, that is why I played on it.

Senator Fournier: I want to go back to the beginning and take a look at what the Family Service Association of Montreal is. We haven't heard anything yet but the heading. I would like to hear about that in a few words—your membership, how you operate, your staff.

Mr. Davis: Did you get a copy of our brief?

The Chairman: Yes. It does not appear in the brief. There is nothing in the brief that gives the answer to the question he is asking.

Mrs. Johnston: The Family Service Association has existed since 1900. It was developed originally to serve families, and, as I indicated earlier, the administration of relief was the major service for many years. In terms of the number of families served, Mr. Davis, I am going to ask you in a minute for Little Burgundy. We offer individual and group counselling and the number of families coming to the Agency on this basis during last year was 2,272. This is a different service from what would be happening on—

Senator Fournier: Is it a federal or provincial organization?

Mrs. Johnston: It is a local agency.

Senator Fournier: For the City of Montreal only?

Mr. Davis: City of Montreal.

Mrs. Johnston: But it would have membership in the Family Service Association. Affiliations with national organizations, but no other link.

Senator Fournier: You have no membership fee? You have everybody in certain communities?

Mrs. Johnston: I think I indicated in the brief that it was all economic groups in the non-French speaking population. This has been a recent development to move out more into the Jewish and English Catholic communities.

Senator Fournier: I am satisfied. I have a number of little questions here which could be answered very shortly. We were talking a while ago about this sailor. I do not want an

answer, because these things have happened. Suppose you have \$240 to give to this man, you give it at noon and he goes out and drinks it in the afternoon? I do not want any answer, but that sort of thing has happened.

Senator Quart: Not if he paid it to the union.

Senator Fournier: We often hear about these inspectors. In every brief everyone is dissatisfied with the inspectors. I can agree with that. I was surprised to hear from Mrs. McIntyre that the older inspectors were the toughest ones. I thought the younger ones would be.

Mrs. McIntyre: No, sir.

Senator Fournier: Let us classify them into three. You have the young unmarried inspector, a young fellow at the age of 20?

Mrs. McIntyre: I haven't had one.

Senator Fournier: Then you have the young married man who is very sympathetic to the poor people; and finally you get the old fellow?

Mrs. McIntyre: Well, first of all the old fellow didn't want to speak in English. When he found out I could speak French, that was when the fight started.

Senator Fournier: Let us speak in general.

Mrs. McIntyre: This is the individual I am talking about. You understand, you can only talk about what happened to you. You can't talk about what happened to anybody else. You have to talk about what experience you had yourself.

Senator Fournier: I am wondering if any other of the good people you have today—

The Chairman: In the very back row a young lady hasn't had a chance.

Miss Christine Gordon, Homemaker: I would like to know what is happening here, because I am really not part of it at all. I am just, you know, kind of half there and half not there. You asked earlier on how we failed, and I would like to know the point of this committee being here to judge on what is happening in the poor areas. Why do you even feel you have the right to do that? and even how we feel we have the right to be here talking. I should be on that side because my job so far has been going into houses of the poor and being their maid. I have been

their maid, I have cleaned up all their pots and pans and made their beds, and that has been my job. It has meant a very small income, and it's an income that I find it hard to survive on, as Mrs. Boyd does on her income, but I got into the job because I don't understand the bureaucracies. I don't understand it at all.

As I seem to be the young one here, I am going to say that everything, even the agency itself, leaves me out. It might leave me out all my life. I don't think by the time I become 25 I'm going to say, "Well, I understand it all," as you seem to think you understand it all, because you have all been saying, "I understand Mrs. Boyd. I understand all of you. We are just trying to get at what is happening here." So if you understand, I wish you would help me to understand, because I don't. I don't think we are doing anything here, I really don't, but talking around several issues. I think some things have to be answered.

I know last Friday when I came out of the home of the family that was having a very rough time at the moment I was angry. I was terribly angry, and if I had been here than I probably would have smashed all these damn tables. Now it's, you know, a week afterwards and I am not so angry any more I suppose.

I just would like you to answer me, what exactly are you going to do? You have all these facts. You have been all over the place. You have seen many tears and heard many stories. What are you going to do with them all? If indeed you are going to do anything with them. I fear they are going to be thrown away somewhere, and we are still going to have to fight the same things that we fight now.

The Chairman: Miss Gordon, I can tell you we are going to do a great deal with them. We are hearing you, as we heard other people, and there are a great number of other people who want to be heard just like you want to be heard. We will make recommendations to the Government which we hope will be acceptable in so that it will alleviate, if not eradicate, most of the conditions which you are speaking about now.

Miss Gordon: You have been talking around the problems.

The Chairman: No. We have been talking to the problem. It's your brief we are talking about. Other people have talked about other problems that concern them, and if you read the report of the meeting you will

see that we haven't been talking around it; we have been talking to it, completely.

Miss Gordon: I have a feeling that you are trying to defend yourselves.

The Chairman: Against what?

Miss Gordon: Against the fact that you failed.

The Chairman: We haven't even started yet. How could we fail?

Miss Gordon: All of you here are in the age group that have seen the wars, as you have said. Perhaps when you came out of the wars you planned for a new world where there would be peace, and there would be hope for everybody, but, as you say yourself, you have failed. Are you trying to defend your own failure?

The Chairman: No, we didn't say we failed.

Senator Fournier: I read it from the brief, but I agree with it.

The Chairman: That wasn't the question at all. We said, where has society failed? In the circumstances...

Miss Gordon: What are you? You are part of the society.

The Chairman: So are you.

Miss Gordon: I agree, but I can't find where I am in this society. I am asking you, because you happen to be on top and happen to be in control. Where?

The Chairman: I think I know where I am, the members of this committee know where they are, and you will in time find yourself, too.

Miss Gordon: You are right here in this room and you are trying to find these people. I don't know whether you are ever going to achieve that; I really don't.

The Chairman: If I were you I would have a little more faith than that.

Senator Fournier: We mentioned pedlars. Don't we, in Montreal, have two types of pedlars: the licensed pedlars and unlicensed pedlars?

Mr. Banks: The way things are now, I guess it doesn't matter too much whether they are licensed or not. I would imagine the people we are dealing with are licensed. I don't know. The fact is that there are very little

means for these people to protect themselves. We have already mentioned how people of low income need these peddlars because they want to get certain necessary items. They are not buying luxuries, they are buying things they all require to get by from day to day, and they are paying 100 per cent interest for this simply because the Government has not done its job in providing a means by which these people can protect themselves. Now, if these people have problems where they still cannot protect themselves, okay, we are there. But we still don't have a means; the Government doesn't provide us with any means to help them protect themselves. This is the thing I found most frustrating, which perhaps makes the whole area of social work a terribly frustrating field of endeavour, because we don't have adequate tools to work with in the form of legislation by the Government, to help balance things, to give the consumer at least an equal chance with the vendor; you know, to give them an equal opportunity to protect each other. They don't have this really, and that is my comment.

The Chairman: What you are saying in effect, Mr. Banks, is that there is a protection, but they haven't the legal facilities of the capability of providing them.

Mr. Davis: It is not a good act, though. It has many loopholes and many faults, and there is a need for legislation. I agree there is a need for enforcement. There is also a need for adequate legislation for consumer protection in the province of Quebec.

Mr. Banks: If I could speak further, just briefly, we tried to get to the heart of the frustration of this situation—just speaking of this one instance, and there are so many like it—to see what more we could do to limit this type of activity, to equalize things a bit more. We went to lawyers; we went around to any authorities that we thought could give us some answers within our existing laws and by-laws, and asked what we can do to help people protect themselves more. We found from these authorities that really we couldn't do too much more; we needed more legislation and much more enforcement, ways of getting enforcement. All I can say is, we tried very hard and we ended up very frustrated.

The Chairman: The Quebec Bar Association will be before us in a week or ten days' time. They have a brief along that line, indicating what they intend to do in the future that is not being done now.

Senator Fournier: I would like to have your opinion of a case, if I give you an example. We find, as well you know, that there are people who are better off on welfare than if they were working, on account of their inadequate earning power because of lack of education or some physical condition. I feel very sympathetic towards a man in that situation. Let us assume that this man working, if all he can earn is \$60, naturally he can't live on \$60. If he quits the job he can go on Welfare and get \$80. Those are not exact figures to the dollar, but that is very general across the country. According to the present law that is the position, and we do not agree with it. I may say, there will be a big change. How, I don't even know. Would it be better to subsidize salaries of \$60 up to an income which would permit a man to provide a decent life for his family by saying, "You have a job and you can earn \$60. You will have to work for your \$60, then we will pay the balance, whether it is \$25 or even \$40, to make it up to \$100". He would have an incentive to keep on the job and active, and he could be paid the balance without going through all this red tape, questioning and so on. Or do you believe it is better to say, "Go and get on the unemployment insurance, get all you can out of it and we will pay the balance"?

Mr. Davis: I would agree with your solution except that I think it raises certain other problems for businesses. There are a lot of small industries that are really having a hard time just to make it. They are probably obsolete industries that ought to have been gotten rid of anyhow in the computer technology age, but nevertheless they still exist. Some of them are even being subsidized by the Government. This would be another form of Government subsidy to those industries, and it certainly wouldn't encourage them to pay a minimum wage. I am not so sure if it wouldn't be a way of encouraging scab labour. I think it would be. Once you subsidize the salary the company can continue to pay below the minimum wage and get away with it, and still sell its products on the market. You see what that is going to do to the profits?

Senator Fournier: We have heard that before. You are not the first one to say that.

Mr. Davis: They are going to have an unfair advantage over other industries that pay a minimum wage, and I don't know how you are going to get around it.

Rev. Johnson: Psychologically speaking, it's correct in terms of seeing that as of primary importance for the individual, having an incentive that allows him to continue to take some creative part in the society in which he lives.

Mr. Davis: Personally I like it, because I think it's a step on the way to a planned economy, which is exactly what I think this country needs. A lot of people wouldn't agree with that.

Senator Pearson: On the first page of Appendix A, there are the results of a survey of 97 families. You list what each family received in the way of either welfare or earnings. We have talked about the guaranteed income quite a bit in this Committee over the months that we have been sitting. Have you made a study of guaranteed income at all? Have you heard of it?

Mr. Davis: Well, of course, we recommend a guaranteed income in Canada in our recommendation. I am not sure I know which aspect. You mean the economic aspect, senator?

Senator Pearson: Yes.

Mr. Davis: Unfortunately, we have no economists on our staff. We are kind of handicapped there. I think this is a weakness in our agency. We haven't done this, no.

Senator Pearson: I notice that an article in *U.S. News & World Report* suggests \$1,600 for a family of four. That is, \$500 for each parent and \$300 for each child; they would be allowed \$800 food tickets beyond that and earnings of \$720 before tax, which is a total of about \$3,150. They would be charged 50 per cent on anything earned beyond that. This seems to me a very small amount in this country. I just don't quite see how they are going to work it.

Mr. Davis: I will tell you how I think the minimum income should be determined. Maybe you, me, Mr. Banks and Mrs. Johnston should go to a typical place like Little Burgundy, take over Mrs. McIntyre's place for about three or four months, to see the minimum we could live on, and let that be the minimum income.

Senator Pearson: The Economic Council of Canada made a survey of this. They recommended a family of four should receive \$4,200 as a minimum, which is a lot higher than in

the United States, and I just can't see where the United States got the \$1,600 figure.

Mr. Davis: I think any time you start quoting figures like that you have to take the other end of it into consideration, which is how people have to spend their money. Not only what it is, but how they have to spend it. If you are living on a farm and growing some of your own food it makes a difference. You mentioned that it was a lot different living in the city than in the country.

Senator McGrand: Thank you for the opportunity. There was considerable discussion about the man Senator Fournier mentioned, who could not help himself; but there are people who are so emotionally undernourished that they just cannot get themselves together any more. That is what I think you had in mind.

Let us go back to the subject of tearing down certain parts of our cities. So much of our prosperity depends on the construction industry, and so much of the construction industry depends on urban renewal, or so-called urban renewal.

Because of this urban renewal, people living in low income areas are displaced and here to go to some other part of the city. They have to go. What effect does it have on these people to lose the community life they had in that particular area for maybe five or six years, or longer, among associates and friends? Where do they go when they have to leave that area, and are they better off or worse off now? This question of urban renewal is so important that I think a group like this should express themselves freely on the short term and long term effects of it.

Mr. Davis: First of all, I can't speak for all the people, but I can speak for myself. I live in an area that is under the threat of urban renewal right now. That is sometimes worse than being in an urban renewal area in a way, because we have been told that any time within the next five years we could be moved out and our home demolished. Now, we don't own it. We are just renting, see. We haven't been there long. We have only been there since about February, but it really came home to me the other day when one of our neighbours came and said he had heard they were going ahead right away with the construction of the Trans-Canada Highway, and a ramp onto it would go over the site of the building we live in. It is going to happen this summer. This is what he said. Gosh! My wife

and I got a little up tight about this, you know, and started talking about it. But it really didn't come home to me until my little daughter, who is about 4½, asked, "Daddy, when are they going to knock our house down?" Well, you know, it really got me.

Rev. Johnson: I would say it is even more vivid than that in the lives of persons who are faced from day to day with the mere problem of existing if they are threatened with the loss of the hovel they have called home. That can't be expressed in words, but it is the kind of psychological conditioning that, although I have not a degree in psychology, I say could go so far as to mark them for life, and it would take clinical care to pull them back out of their withdrawal, due to that threat of what might happen to them and its psychological effect; first the threat of being moved out and then finding somewhere to move to. As a matter of fact, I can tell you of a family from Little Burgundy faced with this situation, each member of which suffered physical illness during the next six to eight months because of the biological strain placed upon them.

Senator McGrand: I am glad you mentioned that, because this problem is going to be with us and there is no mistake about it. The greatest part of construction industry, the building of overhead passes and all this sort of thing, is going to take place in our large cities; as our cities get bigger and bigger more and more of this sort of thing will take place and there is going to be an increase in the psychological depression of people.

Now, at what time are you going to speak out so that the whole nation can hear you? What is the alternative for those who are directing the economy of the nation who feel that massive construction and reconstruction in our cities is essential? This is something we should get to grips with.

Mr. Davis: I think these things can be dealt with and still keep the construction industry going. I think, for instance, we ought to say to hell with the automobile manufacturers; we ought to say we are going to have adequate mass transit and put our efforts and our money into that. It will be underground. We will build more shopping centres and more things underground where it won't wreck people's homes and lives.

Senator McGrand: That is number 1. What is the next one?

Rev. Johnson: I say the second one has to do with dealing with these people as human beings in making the decisions that will have to be made regarding the new transit systems, new highways and new buildings that must be built. In other words, at present there is no dealing with people; there are only decisions made that come in over on top of them. Get them involved in this kind of thing. We have the problem right within our agency, that we don't have people helping to make decisions about their own lives, because a group of people on the board from downtown are making those decisions.

The Chairman: I think, Mr. Johnson, I should inform you that in the three urban renewal schemes that took place in the City of Toronto in the last five or six years, the people in the area organized themselves. They went before the Planning Board and the Planning Board arranged, under authority that they have, that these people could not be moved until such time as homes were found for them, which they could afford. When the renewal was finished they had the right to return to the place from which they had been moved, and almost 60 per cent of them chose to return. That is the modern concept of urban renewal that is being practised in the United States to a far greater extent than it is here, but some of the municipalities are taking it up. I am merely relating it to you.

Rev. Johnson: The basic question, sir, is whether or not the people themselves have asked that they be removed. Maybe they don't want to be removed.

Senator McGrand: When you say these people returned, you said they had the right to return. Now, you cannot return to a neighborhood where a whole block of houses has been demolished and a highrise apartment gone up, or something like that. You say they returned there. How can they return? How can they integrate in the community life, whatever community life they had previous to that?

Rev. Johnson: And, I say to you that with the fragmentation of the workers within the area, the different agencies—religious, governmental and social—are not equipped today to provide the necessary kind of integration back into that community, if you go so far as to renew the area.

Mr. Banks: I think the senator is right here. I agree with you. If I could take it one step farther, you are right Senator Croll, in saying

that the Government and the housing departments have taken great pains to say to the people in Little Burgundy, "Before we go anywhere with this block plan, you have to have an action committee that is going to talk with us".

I worked in Toronto, in Rexdale, the Thistletown Housing Project, several years ago, where to a different degree of course, the people were being moved out into the suburban area in that case. They were, upon moving the people in, asking them to form groups to work with this project. I guess my only comment is that after, say, about five years of working on these two projects and trying to, as part of my job, involve people in this process of getting across to the Government what they want, what they feel they need, I don't feel that the people actually implementing the program have listened. They have said, "Please tell us. Tell us everything you want", and then they close their ears. I really believe that.

The Chairman: Mr. Banks, you know that in the renewal that took place in the core of Toronto they actually came back when those houses were built. They were moved out to the suburbs and some came back.

Senator Pearson: How would they come back to the Spadina Expressway?

The Chairman: No. Spadina Expressway is not urban renewal in any sense.

Senator Pearson: I know, but it is construction.

The Chairman: I am talking about urban renewal. They talk, of course, about the roads that went through.

Senator Pearson: They are talking of construction here. Senator McGrand, the problem is construction here; not just urban renewal.

The Chairman: Mrs. McIntyre, did you have something to say?

Mrs. McIntyre: Yes, sir. How are you going to move back into a house where a school is being made larger?

The Chairman: A school made larger?

Mrs. McIntyre: Yes. Our house is being taken for the school.

The Chairman: They build other houses there to accommodate you.

Mrs. McIntyre: We are waiting to see where they are going to build them. We won't get the same kind of house, sir.

The Chairman: You get a better house, I think.

Mrs. McIntyre: My house is a nice house if it's fixed up proper.

The Chairman: They may do that.

Mr. Davis: I wanted to add, if I could, to this business of planning and changing neighborhoods. I think too often planners have used kind of clichés; I don't know where they developed from, but they use them without really stopping to think what they might mean. A good example of this is people will say, "Well, gee, we've got to get the kids off the streets", so they build a big playground some place. They knock down 15 buildings and make a playground for the kids. Well, in some respects, although there is some hazard from traffic—and I think we ought to just take a residential street and make them corner it off—the truth is, when the kids are on the streets they are getting a kind of natural adult supervision; people are walking back and forth. Down in Little Burgundy this is true, people go forth and back there; the kids are in the streets, the people are there, too, and they can watch the kids. Send them off to a playground without any supervision, then they are really in trouble.

Senator Fournier: This is not in the form of a question, but there was a statement made here this morning that I heard for the first time, which to me is one of the best. I guess it was Mrs. Linkletter, when she said, "We have not taught values". You can build a long lecture of that.

The Chairman: Mrs. Johnston has something to say.

Mrs. Johnston: I want to express our thanks for the opportunity to present the brief to you, and, also, to make a comment on it. I think you may have sensed, in our presentation and in the discussion, that we feel very much caught in a situation where we are interested and concerned with the particular individual, particular situation. This is a part of the problem of social work. How do you move from an individual basis and arrive at some effective approach to what is being spelled out for the individual in terms of broad social changes? This is something we are attempting to do, and you can sense our

lack of sophistication in using the system. We put it in those terms. It is a problem of time.

I was interested in what Senator Quart said about why we didn't go, in the case of this particular man, and approach the Kiwanis Club, or whatever service organization it might be. We have done that. This is what I did 20 years ago when I worked with the Family Service Association, but I think there suddenly comes a point in time where spending three or four hours, whatever it may be, on one situation, has to be stopped, and we have to begin by moving hundreds and thousands and making changes that will affect far more than one situation. It is always this balance and this tension that each of us has.

Mr. Davis: There is just one more point I want to raise, and it is this. I wanted to get back to something that Miss Gordon said earlier, which is that we are very concerned with what you are going to do, what the committee is going to do, and we want to know if there is a timetable for you to report and make your recommendations; and if so, how can we find out what they are? We want to keep up with what you're doing.

The Chairman: When the Parliament is adjourned in June, this committee will visit various parts of Canada that it has not already visited. In June, July, August and September, and in September we will be back here. In September we will be back here to hear some of the experts that we have not heard, and fill in with some of the people who have asked for a little more time to prepare briefs. After that we will give consideration to our report, and in due course we will make our report and our recommendations, which we hope will be acceptable to the Government. That is about the normal way in which we operate. There is nothing much more that we can do.

Senator Fournier: I think there is a point that I would like to make to this gentleman here. Mr. Davis, you were talking about participation. This committee is going round to get people to participate, to get your view. It will not be our own decision; it will be your decision, from what we hear from you and various groups around the country. This is exactly what we are trying to do. We are not going to be the dictators and say to you people or to the people of Canada, "This is what we want to do". We want to be in a position to do what you people are asking us to do.

The Chairman: The recommendations, of course, will be made by the committee. We thought we had heard from about everybody who wanted to be heard, but recently we had requests for a great number of other people to be heard. An interest has suddenly arisen so that a great many more people wish to be heard, and I think we have to hear them. It is really the first time in the history of this country when a total look at poverty has been taken by any committee. As Rev. Johnson says, in the past we have fragmented it. We have studied housing, health, and any number of things, and never really put them together. The time has now come for us to see if we cannot put them all together and come up with some solution that, in the light of what we have at the present time, may well change our concept of our approach to welfare which has turned into poverty.

Mrs. Linkletter: I would like to make a very special plea. When Miss Gordon spoke she said some things that were very true, not only of people in poverty, but of juveniles, and I ran across a lot of them in the last two years. She said, "I don't know who I am". My special plea to you is to understand her, and this other group might have to have some solutions in our society. You said, "If you don't know, then I can't help you." That was the point when I began wondering if all this dialogue is going to pay, because if you can't understand and can't help her, then I don't think these hearings are going to be a success. I am going to beg you to please understand.

The Chairman: Mrs. Linkletter, if she does not understand who she is at her age, what can I do for her?

Mrs. Linkletter: Most of us don't.

The Chairman: I think I understand who I am, and if you don't I think you have missed something.

Mrs. Linkletter: We have lost our identity.

Senator Fergusson: I think I agree with Mrs. Linkletter, and I think we should take into consideration many of the things that Miss Gordon said.

The Chairman: I said that I could not solve her problem, but maybe the committee will find some solution.

Senator Quart: I might just say that I am a grandmother of 23 grandchildren and a great grandmother of three, so I have tried to bridge the generation gap. I understand you

to a great extent, but we also ask the young people to understand us.

The Chairman: We thank you for coming here today, for your interest and your concern. We do understand what you are up against in the kind of work that you are doing. You are not new or fresh to us. We

have heard from similar groups who have presented their case forcibly and ably, and we will give your presentation a great deal of thought. It is not an easy problem. We will deal with it as quickly as we can.

Thank you very much.

The committee adjourned.

APPENDIX "A"

FAMILY SERVICE ASSOCIATION OF
MONTREAL

The Objects of the Family Service Association are to conserve and develop family life as the foundation of human society and to stimulate action for the improvement of social conditions.

The Area Served may be defined as all of the Island of Montreal (with the exception of the section west from Dorval) and the City of Laval.

The People Served are all economic groups in the non-French speaking population.

The Types of Service Offered are individual family counselling, group counselling and community organization. (Little Burgundy is one area where a community organization service is offered).

WHAT DOES A FAMILY AGENCY DO?

It offers a professional counselling service, individually and in groups, and works with citizens to develop services and social policies relevant to the community's needs.

HOW MANY USE THE SERVICE?

From 1 April 1968 to 31 March 1969, service was given to:

*2,272 different families, of whom
1,764 were closed, and
508 carried forward to 1 April 1969.

* Consisted of 3,792 adults and 4,164 children. In addition, 83 children and adults were served through groups, and the agency was active with groups of citizens through community organization.

WHAT PROBLEMS LED THESE FAMILIES
TO SEEK COUNSELLING SERVICE?

Of the **2,272 families served, the primary problems were:

Marital Relations	550
Parent-Child, or individual under 18 ..	173
Other Family or Individual adjustment problems	164
Total Family Relationships	247
Financial difficulties	409
Physical Illness or Handicap	169
Mental Illness	63
Intellectual Retardation	9
Arrangements for Physical Care	248

** Of these families, 409 had problems associated with old age; 193 families received Homemaker Service.

Other environmental or situational conditions	213
Reports given on terminated service ..	18
Inquiries made for out-of-town agencies	9

HOW DO THESE FAMILIES KNOW ABOUT
THE SERVICE?

Personal applications	53%
Referred by other Social Agencies	27%
Referred by other Institutions and the Community	16%
Referred by other Professions	4%

WHAT DOES THE SERVICE COST?

Income	
United Red Feather Services	\$ 250,141
Dept. of Family & Social Welfare, Quebec	134,605
Dept. of Family & Social Welfare, Que.—Special Purposes	16,000
Rental from Residences	13,856
Other Income—Fees, Refunds, Interest & Home Care Project	23,830
Governmental contributions on behalf of clients	6,418
Donations for specific purposes	7,564
	<hr/>
	\$ 452,414

Expenditures	
Salaries of Staff and Homemaker Wages	\$ 337,431
Pension Fund and Quebec Pension Fund, Group Insurance	12,742
Financial Assistance, Home Care Project	22,755
Operation of 2 Residences	12,222
Administrative Costs	43,700
Expenditures from donations earmarked for spec. purposes	23,564
	<hr/>
	\$ 452,414

FAMILY SERVICE ASSOCIATION OF
MONTREAL
BRIEF ON POVERTY

Having taken into consideration the scope of personal needs of the people serviced by the Family Service Association, for responsible improvement of family life among the English-speaking residents in Montreal, and focusing upon the services now offered to this end, it is the consensus of the Board of Direc-

tors and Staff of the Family Service Association, following a selective analysis of this Agency's work, that future policy making by the Canadian Government concerning the question of poverty in this nation should be cognisant of the critical breakdown in family life especially among poor families because of economic, educational, social condition and polity, and, thereby, should bring together the resources and technology available today to better integrate the basic functions of urban life to assure that man's unalienable right to be human is not destroyed. Consequently, the Family Service Association submits the following recommendations which we believe will re-orient human life in such a way to meet the demand of maintaining a truly human society.

RECOMMENDATIONS AND CONCLUSIONS

1. We maintain that an adequate income to uphold a decent standard of living is the right of every individual in Canada. Therefore, we recommend that individual incomes be guaranteed. Or incomes be adjusted annually and regionally according to the Cost of Living Index of the Economic Council of Canada.

2. We maintain that financial assistance to individuals should be made on a different basis than is presently the case. Therefore, we recommend that economic and educational provisions be instigated in the economic structures for deprived individuals to help them lead a more productive and fulfilling life.

3. In a nation where tenant living is a growing concern, we maintain that the tenant living conditions lack protective safeguards. Therefore, we recommend that legislation be presented to the Canadian Government that would protect all tenants and landlords on an equal basis.

4. We maintain that the individual consumer is not protected equally with the vendor in regards to consumer credit and the purchase of goods. Therefore, we recommend that ways and means be explored, both legislative and educative, to protect the consumer, vis-a-vis credit and advertising. This, we believe, is necessary to ensure that luxury and comfort items are not confused with necessity items by all individuals.

5. We believe that the foregoing recommendations represent only partial or limited solutions to the problem of poverty. Without an exploration of the ways in which wealth has been concentrated and the means by which it

may be redistributed, any program aimed at solving the problem of poverty would be largely ineffective.

APPENDIX A

The 97 families on which this report is based, were among the last 115 cases accepted for service in 1969. The 18 single persons accepted during this period have been omitted from these findings, because they presented particular problems, which differed not only in size but in quality, (many were elderly), from the family groups. It should be noted that the families ranged from two to eleven persons in size.

FINDINGS

Income Levels

Twenty-four families, averaging 3.5 persons, received less than \$2,000 per annum. Twenty-six families, averaging 4.2 persons, received between \$2,000 and \$2,900 per annum. Seventeen families, averaging 4.4 persons, received \$3,000 and \$3,900 per annum. (Two of these families consisted of 10 members, 1 of 11 members). Ten families, averaging 4.1 persons, received between \$4,000 and \$4,900 per annum. The remaining 20 families, averaging 4.3 persons, received between \$5,000 and \$12,000 per annum.

This would suggest that 77 families were living on a less than adequate income. Twenty (20) families might be considered to have an adequate income.

Single Parent Families

Forty-one (41) of the 77 low income families were single parent families, (39 mothers).

Five (5) of the 20 higher income families were single parent families.

Reasons for Single Parent Families Among Low Income Groups

Separation accounts for 22 instances.

Death accounts for 11 instances.

Unmarried Mothers account for 7 instances.

Divorce accounts for 1 instance.

Sources of Income of Low Income Families

Thirty-six families were supported by wage-earners (only 10 of them were women). Twenty-five families were supported by Public Assistance (in only one instance were there earnings as well). Eight families were supported by Unemployment Insurance. Five families were supported by Needy Mothers' Allowance. Two families were supported by Department of Veterans Affairs pensions.

A significant contributing factor to the economic deprivation of families which were being supported by one wage-earner, was the high incidence of separation—the need to maintain separate establishments.

Health problems accounted for a large number of the families receiving Public Assistance, but in a number of instances, mothers in good health were required at home to care for children. A surprising number had high school education and might be considered excellent employment prospects.

Mental and Physical Health and Relationship Problems

There appeared to be little significant difference between low and higher income groups in the incidence of mental and physical health problems. All but one of the two parent families in the higher income group, and only 23 of the 36 two parent families in the low income group, were noted to have marital problems. This difference might be accounted for by the fact that higher income families tended to seek help around relationship difficulties, while lower income families frequently sought and received more tangible services, such as help with financing or access to goods and services. The tangible needs tended to obscure the other, and treatment is virtually impossible or ineffective when there are no incomes available to relieve the day-to-day living problems. In approximately one-third of the families of each group, parent-child relationship problems were noted. School drop-outs, particularly in the low income group, were noted.

Other Problems

Indebtedness was noted in a number of instances as was the lack of adequate legal aid for the low income family. Housing presented a major problem for all low income families.

The Immigrant Family had a number of special problems: the inapplicability of the Manpower language-training program for immigrants more than one year in Canada, the inadequacy of the retraining programs as applied to immigrants, in general certain discrimination affecting employment and the basic accommodation of immigrants.

APPENDIX B

A Summary of Family Service Association's Experience in Little Burgundy: July 1, 1967 to May 1, 1969.

Background and Objectives

The Little Burgundy experience began in July 1967 with the assignment of one caseworker to an office located in an area designated for urban renewal.¹ This move was partly in response to a request made to Family Service Association a year earlier by the South Area Council.² Partly, it represented a more concrete reflection of the agency's growing wish to reach out to its constituency, specifically those parts of it unable or unwilling, for a variety of reasons, to seek out its services on their own behalf. In selecting the Little Burgundy area for this kind of outreach operation, FSA were particularly mindful of the opportunity it provided to work with a community in transition and to be not only present in a social situation undergoing change, but, hopefully, to play some kind of role as a change agent—in ways that were initially unspecified and yet to be discovered. In this regard, the Little Burgundy experience was at the same time a kind of "experiment": not only did it assert a wish to bring the traditional agency service—casework—closer to a given population and there see, to translate it into terms which had meaning for that population, but it deliberately set out to explore for itself the possible effectiveness and viability of a new and different role in community involvement and community action. These two objectives—the adaptation and delivery of the traditional "remedial" services, and the search for initiatives geared to acting positively on the environment—proved to be, in many respects, closely interdependent and interrelated.

In locating its staff physically in the same quarters as the Société de service social aux familles, and indeed in sharing with that agency the cost of the outpost operation on some kind of partnership basis, FSA was not only taking into account practical considerations, but was actively seeking to foster collaboration with its French-speaking counter-

¹ The area so designated and named "Little Burgundy" is the one bounded by Guy and Atwater Streets to the East and West, and by St. Antoine Street and the Lachine Canal to the North and South.

² The South Area Council is a loosely-knit grouping of social, and health agencies, schools and churches located in and/or working in the area.

part. This was seen by both agencies as a first step toward a long-range goal of providing family services to a total population with as much consistency, coverage and dovetailing, as well as economy of effort as possible. The latter was of course consistent with the growing view of "community" as a complex, heterogeneous entity made up of many and varied elements, rather than as a closed, supposedly homogeneous linguistic or sectarian enclave.

Remedial Services

Even though the implantation of casework services in the Little Burgundy neighbourhood were not formally greatly publicized, the availability of those services gradually became known, largely through the operation of an effective "grapevine", with the result that the greatest proportion of clients came self-referred or directed to the agency by friends or relatives. Over time, referrals were made by a variety of other social and health agencies with the notable exception of the City Welfare Department and the schools from whom referrals were rare. An unofficial anti-social agency position on the part of the former and the existence of rather rigid channelling procedures on the part of the latter appear to have been responsible for this. Some efforts were made to open channels of communication and collaboration with both these sources, with limited results.

The significance of the casework experience in Little Burgundy would appear to lie, not so much in a simple statistical picture of the volume of service given, for in that regard the pattern is fairly typical, and shows the usual gradual increase in the demand for service. Rather, its meaning can be read in the kind of service sought and given, and in the more characteristic ways in which the service was used. Typically, the client coming to the Little Burgundy office was one in need of concrete, usually emergency, help, with problems related to food and shelter—i.e., was a person caught up in the basic struggle for survival. Any professional judgement with respect to the character or chronicity of the particular dysfunctioning manifested by this clientele must be made in the light of this reality: whatever their psycho-social failings might be as persons, their basic problem lies in or is overshadowed by the stress generated by living in untenable situations. Whether their circumstances be cause or effect of their coping deficiencies, their basic call is for help in making their particular reality somewhat more bearable. This involves assistance in finding one's way through the "system", and

not infrequently, through the very system of services supposedly designed to "help". All but a small percentage of persons seeking the agency's services in Little Burgundy were in financial difficulty and in many instances caught up in the complexities of public assistance procedures.

Clients coming to the Little Burgundy office typically "dropped in", and this fact made the open-door and the ready availability of staff essential. A heavy proportion of contacts were on a first-aid kind of basis, with immediate action to be taken on the presenting problem. This often represented a redirection of referral of the client to subsistence services. This activity revealed the inadequacy of many of these services, both in the private and public sector. Groups such as unattached unemployed older men were particularly difficult to serve, due to the lack of resources.

Attempts to involve some clients in somewhat longer-term, rehabilitative contacts, were successful in only a few instances, an outcome not surprising in the light of the fact that the motivation behind many requests for service was dispelled once the particular crisis was past, making a "foresight" kind of assistance impossible for the worker because it was irrelevant for the client. One important consideration, however, is that a certain number of clients did come back to the agency at other points of crisis and, with some, one could note over time the development of a sense of trust in the agency and of the view that it was a place to which one could turn when in difficulty. The fact that, when attempted, more intensive casework activity resulted in only limited repair and limited healing should not lead one to discount the crucial importance of a service that is crisis-oriented and serves at least to "hold the pieces together" this—in some as yet unevaluated way—preventing further dysfunctioning and further breakdown. This becomes a particularly important factor when one takes into account the large number of children involved in the families served.

Growing out of the activities of the casework staff, some limited attempt was made to expand and diversify that service whose intent was primarily remedial, notably the development of a Mothers' Day Out programme. The goals in setting up this programme were twofold: to allow mothers of small children a half-day a week respite from the daily routine of their case and, over time, hopefully foster a constructive use of this

"free" time; an even more important consideration was to provide pre-school children with an opportunity for social and learning stimulation not available in their own homes. This kind of "head-start" experience proved to be the most effective result of the programme. Few mothers were actually freed for a half-day during their child's attendance since most had smaller children for whom to care at home. However, the programme did provide opportunity for contact with mothers and families on other than a crisis basis, and allowed volunteers and staff to interact with mothers on a planning and supportive basis.

Community-related Activities

The agency's involvement in the Little Burgundy community occurred at two levels: that of direct "animation" of some residents in groups, and that related to what might be called the "community of services", i.e. other institutions, groups and agencies. Two staff members addressed themselves particularly to the community sphere of activity—the community organizer and the coordinator in charge of the Little Burgundy office.

The agency first addressed itself to families and individuals displaced by the expropriation carried out in connection with the Trans-Canada Highway (north side of St. Antoine Street). This involved helping displaced families make use of legal help where indicated, and, through the use of indigenous staff provided by the agency, facilitate the transition to other housing. In spite of its inherent merit, this project began too late to be of significant effectiveness.

The bulk of the "animation" activity with groups of residents occurred in relation to two groups of parents: the Royal Arthur Parents' Association and the Concerned Parents of St. Anthony and Affiliated Schools. Both of these groups operated outside the school framework, though increasingly in cooperation with school administrative personnel. The Royal Arthur group explored Recommendation I of the Parent Report and generally maintained an interest (though took no initiatives) in matters educational. This group undertook two projects in the first two years of its existence. It first became active in trying to obtain fencing and increased safety measures on the CNR tracks crossing the area. Having pursued their campaign a certain distance, the group was instrumental in the formation of a committee made up of some social agencies in the area, citizens' groups and CNR personnel. A firm and

formal promise was obtained by this group that suitable fencing and other safety measures would be installed. At the same time, it was understood that continuing safety education measures would be undertaken by the schools, citizens' groups and some social agencies acting collaboratively. This provided a concrete basis for further coordinated efforts on the part of various community elements.

The Royal Arthur group's second initiative led to the establishment of a community clothing room operated by the parents in space provided by the Negro Community Centre. In spite of some administrative and procedural difficulties, this service seemed to provide a worthwhile addition to the resources available to all neighbourhood families. It provided the parents' group with a sense of purpose, an opportunity to engage in a meaningful process of collective activity which led them, at the end of their second year, to direct their efforts more specifically to problems developing from the proposed renewal of Campbell's Blocks. In this latter initiative, both groups sponsored by the agency joined forces, and gave indication of becoming more clearly "action" groups. Up to this point, the other group, the "Concerned Parents" group had been involved largely with providing recreational activities for the children in the Catholic schools and, at the end of their first year of existence, were undertaking the more formidable task of making representation to the City for the provision of more playground space.

Agency involvement with community components other than citizens' groups per se addressed itself to four areas: (1) the coordination of services; (2) the improvement of services and development of new services; (3) planning and (4) social action.

(1) Specific efforts at coordinating services occurred in relation to the given objective to serve the total English-speaking community in Little Burgundy, some four thousand people, about half Roman Catholic and the other half of other or no religious affiliation. Specific terms of collaboration were worked out whereby FSA staff were to extend case-work and community organization services to the Catholic population, as well as to its own constituency, in return for a counterpart arrangement where the Catholic family agency would serve the non-Catholic population in Point St. Charles. Similarly, FSA agreed to pick up whatever role might have been carried by the Montreal Council of Social Agencies' staff. As it happened, this

role had already been phased out. Discussions were also held with the Society for the Protection of Women and Children regarding mutually satisfactory terms of inter-agency referrals. Some contact was established with the schools with a view to encouraging early referrals to Family Service. In connection with Christmas giving, the agency also took some initiative to ensure coordination of effort among various neighbourhood resources. Efforts to encourage some fruitful liaison with the Company of Young Canadians also working in the area proved unsuccessful, and communication with this group remained on an informal basis. Peripheral to the coordination activity yet hopefully contributing to it, were contacts essentially of interpretation and information to the staffs of agencies such as the Child Health Association, Children's Service Centre and Allcroft, the Diet Dispensary, the Council and Red Feather Groups, as well as with colleague services such as the Negro Community Centre, Tynedale House, the City Housing Department, the Victorian Order of Nurses.

(2) Activities addressed to the improvement of services and the development of new services were—some abortive, some successful, some in process beyond the period covered by this report. Among the first group was a project proposed by the Mental Hygiene Institute to offer services and carry out research in Belmont School. This did not materialize, but agency time was invested in groundwork and in exploring feasibility. A beginning interest on the part of the Seventh Day Adventist Church in establishing a social service centre in the vicinity was explored and an offer of help with planning and coordination was made by FSA, but this was not pursued by the church group. A plan proposed by Rotary Club to make available sewing machines for a neighbourhood sewing room was also explored, and liaison established with the Société de Service social aux Familles in connection with their interest in taking initiative in this regard.

Contacts with this same agency allowed for a regular exchange of information and exploration of possible areas of collaboration. Most notable of these was the joint preparation of a brief and a meeting with officials of the City Welfare Department in an effort to facilitate the use of their service for clients, and generally press for more humane and efficient procedures. Finally, a beginning contact was made in the direction of exploring the possible development of psychiatric services for children. The Mothers' Day Out pro-

gramme already referred to represented a different kind of "service". It also involved coordination of staff, volunteers, and host agency.

(3) Community-related planning activities were carried out through involvement in the South Area Council, specifically in the Steering Committee appointed to give it a more dynamic, action-oriented emphasis and a Little-Burgundy-wide coordinating role. The proposed new structure of the Council was seen as fostering not only coordination of effort within the network of English-speaking services, but also as serving as a formal bridge for continuing involvement and collaboration with the French-speaking community.

Contacts maintained with the City Housing Department staff in Little Burgundy provided for the exchange of information about agency activity in the area, on the one hand, and city plans for the neighbourhood on the other. A survey of some residents of Campbell's Blocks (the next area slated for urban renewal) was carried out as part of an effort to identify more closely the needs and wants of a segment of the community and, if possible, to detect some leadership potential for future involvement in organized community activity.

(4) Certain social action activities were also carried out, specifically related to the work of the Committee for the Safety of Pedestrians Crossing the CNR Tracks. There was also participation in the work of a committee originating in the St. Henri district, consisting of a group of French-speaking workers intent on addressing the problems generated by the policies and procedures of the City Welfare Department. The participation of concerned English speaking residents of Little Burgundy was encouraged and facilitated by FSA staff.

In retrospect, to date, the Little Burgundy experience suggests... apart from justification for continuing to bring remedial services to a particularly disadvantaged and demoralized population (i.e., family services)... two major functions for FSA: 1) a "creation and coordination of services" function and 2) a community action function.

The first function, that of creating and coordinating services, represents a continuing involvement with the community of institutions and services, for example, schools, churches, and various groups, as well as other agencies. It supposes the agency in the role of a stimulator or energizer who identifies the

need, does the groundwork activity, "starts things" and determines (and mobilizes) the leadership appropriate to carry out a plan. The "community action" function calls for a commitment to provide staff and means to foster and enhance citizen participation in the affairs of the community. This represents an activity through which the people themselves are helped to sort out what their problems are and to organize the forces in their area in order to take steps to solve these problems. It calls for direct involvement with the population and should include using residents on "project" committees along with board and staff. Such an involvement would suppose a concerted programme of information and interpretation to the people concerned and the deliberate and planful development of their leadership possibilities. Other supporting functions to the above two consist in study and analysis of the community, both total and specific... a sifting and analysis of available data and a search for new data. Acquiring cumulatively knowledge of the community would represent an essential step not only in sketching out programme direction but in establishing programme priorities for the agency itself, both in terms of its total constituency and specific constituencies within it. All of these activities suppose and would require a continuing and effective link with relevant community planning bodies.

Carmen Bjerre, Ph.D.

APPENDIX C

PEDDLERS—ACCOUNTS BUYERS IN LITTLE BURGUNDY

by: Kenneth Banks

On the morning of Friday, 20 February 1970, I happened onto a discouraging situation, let me share it with you.

This particular Friday, when I dropped into the Centre, to say "hi", one of the women who works there said that she had something to ask me when I got out of the other meeting. She is a very intelligent woman, who takes wonderful care of her husband, ten children (including an infant), and runs a house and still has time to help on school groups and at the Clothing Depot. When I came back, it took some coaxing from her friends to get her to tell me that three weeks before, her television console, stereo set, two lamps, an artificial fireplace of emotional value, fifty (50) long playing records and several tables had been taken by the bailiffs

because they had missed \$2 payment towards a \$60 debt for children's clothing, bought from a door-to-door peddler.

In various low income areas of Montreal, there are peddlers who offer term payments to people who cannot get credit elsewhere due to low income. The people of these areas refer to the peddler with whom they deal as "my Jew".

I was very upset that this would happen to any family operating under financial stress, but with this particular family which functions quite well, I found it appalling that this situation would occur. That same afternoon, I dropped over to her house in order to see the summons and the court order. The \$60 debt was now up to \$137, with court and bailiff's costs added in. Moreover, the sum was not owed to her peddler, but he had sold the account to an accounts' buyer.

I called Association Coopérative d'économie Familiale for information as to the legal aspects of this seizure. Their lawyer said that they usually didn't have loop-holes, and that the court protected these companies; as a matter of fact, they employ a full time lawyer to process their court actions at the Account Buyers. Then I called the manager of the Account Buyers, after establishing that the family was under the impression that they would have to pay the total amount, less \$18 paid since the seizure, in order to get the furniture back. They couldn't raise this kind of money and had almost despaired of getting the furniture back. When the manager came to the phone, he demanded to know who I was, why I was called on the client's behalf, and what would I do about the situation. He said that such families have difficulties because they can't stay out of bed and have too many children, he also said that the client's brother had reneged on his account with them and skipped town, and in order to force the client to tell them the whereabouts of this brother, they took the client's furniture. At this point I was angry, but felt that it would not help our case to blow off at him as he held all of the cards. After his editorial comments, we settled down to hard bargaining. He said that we must pay the costs of court and seizure, over and above the court's settlement, before we could gain release of the furniture, this amounted to \$58.25. The remainder of \$105.25, plus 9 per cent interest, would be paid at a rate of \$2 per week. I replied that the client had no money for this and since he couldn't get that kind of money for the furniture on a bailiff's sale anyhow,

he should accept the \$20 which we could raise from our petty cash in "social welfare money" to help the client. (I thought we might as well give him a line). He replied that his accountants would suspend him if he gave the stuff up too cheaply, and how would he feed his family? I replied that if this happened, we would be glad to help him too. He accepted the \$20 for his release papers, but we still had to pay off the bailiff's trucking and storage charge. I called an agency lawyer but he couldn't do anything for us at this point.

The next Tuesday the husband, wife and myself went to the Accounts Buyers to get their release for the \$20. We asked to see their balance sheet and to know when they would be through paying on this account, plus when we asked for an itemized contract of account, we received a demonstration of some of the wildest mathematical manipulations and double talk that we had ever seen. After trying to get a straight answer three times, we succumbed to the harangue. Again I felt helpless and frustrated, and told him that social agencies had traditionally taken a soft line on exploitation, but that this trend was changing, that the agencies and their clientele were becoming aware of alternatives to doing business this way. The manager replied that he was a taxpayer and that social agencies could only operate as long as taxpayers allowed them to function. He said that we knew that we could do nothing. We left. I had a headache. The important lesson learned from that encounter was, as the husband said, "those bastards are real crooks, aren't they?" They realized that the law and court protected the companies, and that they don't stand a chance against the whims of these business men. Most important, they realized that it wasn't their fault, they didn't have to feel ashamed over the seizure of their furniture. But this still didn't help the fact that the court action had still doubled their liability, and they still hadn't paid the bailiff.

The wife called the bailiff's warehouse for three days without success. Finally, I drove out to Bogan Street near Hochelaga Avenue in the East End to find that the "warehouse" was a corner flat with the drapes pulled and a "For Rent" sign in the window. After ringing the bell, I waited until a man peeked around the drapes and asked what I wanted. I stated my purpose. He then looked through his files, which were perched on old TV sets and said that if he picked up the stuff in the next afternoon, it would cost us \$26.50.

The next day, the clients rented a trailer which we hooked onto my car (they don't have one), and with a Family Service Association cheque and client money, we headed out to Bogan Street warehouse. We got there at 4:40 p.m. and rang the doorbell. Finally a guy came around the building and told us that we should wait as they were loading stuff in back. When they were through, the man I had spoken to in English the afternoon before, told us in French that it was his quitting time, we couldn't get the stuff. The wife, whom I hadn't realized spoke French, suddenly came out with a tirade of French which got us into the office. Then he wouldn't accept the Family Service Association cheque. We argued to no avail and we knew that none of us ever carried that kind of money. But we checked our pockets anyway—I had \$11.48 by some freak chance, she had \$12 apartment rent money left after renting the trailer, and he had \$2 in his wallet. We had \$26.48 in cash! A drunk who had watched us with some interest as we emptied our pockets, offered to chip in a nickle, but the proprietor graciously waived the \$.48. We got our receipt. Then we found that he didn't have the stuff around there. After some grumbling, he gave us another address where we would meet him to get the furniture. We were skeptical, but what could we do? At least, we had a receipt. Twenty minutes later, we found ourselves in an alleyway behind a modern highrise apartment building, alone. Ten minutes later the bailiff arrived too, and lo and behold, the whole garage of the apartment building was filled with seized washers, TV sets, tables, rugs, a beautiful Thunderbird, everything you could imagine! Our client's belongings were spread around in such a way that it was obvious that they weren't expected to retrieve them. I would imagine that they do prefer to sell this stuff from the way that setup looks. The clients are now happy, the Accounts Buyer is happy (the court order still looms over the clients' furniture). I will also be happy if we can let as many as possible of our workers and clients learn from our experience. Observe these points:

1. Don't buy from a door-to-door salesman.
2. If you can't get bank or department store credit, go to Association Coopérative d'économie Familiale (through Family Service Association's help).
3. If you do get a summons, get it to your social worker who should go to court with you.

4. Tell everyone you know, not to deal with this type of businessman.

5. That we should help form action groups to get Provincial and/or Federal legislation to protect the poor consumer.

NOTE: It is important to note that this is but one of many such cases.

APPENDIX D

COMMENTS ON SENATE POVERTY COMMITTEE BRIEF

by: R. A. Davis, Supervisor
Little Burgundy Office

1. *I think it is dangerous to define poverty as income alone.* How people have to spend what they get is equally important, especially when it appears that the lower the income, the higher the proportion is eaten up in interest charges from increasingly legitimate sources. A person from the Cooperative Family Economics Association of the Region of Montreal, the other day indicated that the average Canadian has a minus net worth or is in debt. False values in society can put pressures on people to live in NDG (Notre Dame de Grace) and actually neglect survival needs. This is a dimension of poverty which is not often attended to—the so-called “middle class” poverty.

2. *The welfare system is designed for the purpose of making bureaucratic jobs for middle and upper income people—not to serve the poor.* Why is this elaborate system needed? The traditional answer is that it prevents fraud. The truth is that most poor people are very honest and scrupulous. Many very rich and middle income people get that way by being dishonest. Yet the myth persists that the income of poor people should be reviewed before they are given welfare while the rich and middle income are presumed honest enough that random spot checks are deemed sufficient to insure that taxes are not being cheated on.

3. *Raising the legal standards for minimum decency of living is not enough.* Legislation must be administered. As long as it is necessary for people to apply for welfare, there will always be a large reservoir of people who lack the verbal skills, or who are afraid to apply at Welfare Departments guarded by policemen. Presently, the poor are required to demonstrate they are poor to establish their eligibility. Until the administration is turned around, many will continue to be ineligible and in great need. The burden of proof

should be on the bureaucracy to show that people are ineligible or else they will be presumed to be eligible if they declare their income to be below a certain level. At present, middle and upper income people are assumed to be filing correct income tax returns until they are proven fraudulent. Poor people should be accorded the same right.

In actual practice, the flow of funds through the welfare departments is *regulated* through—1. the establishment of eligibility, 2. “budgetting”. Whether it is practiced or not, intimidation is a very real possibility under the present system.

4. *The question of employment has to do with people who have been made obsolete by technology—i.e. the question of putting people back into the labor market is itself an obsolete form for settling the employment question.* In former times, employees benefited from having a large pool of unemployed, unskilled laborers always available to trade physical labour for depressed wages. Machines have eliminated the need for unskilled manual labour in most fields of employment. They have seriously reduced the need for many white collar jobs. The economy has coped with this by—1. *Padding the existing structure of jobs*, which may help to raise profits or stabilize them, but which do not concentrate on the essentials non-survival. Specifically, the private industry sector pours billions into advertising, marketing, packaging, public relations and sales at the upper income levels, all designed to stimulate buying for non-survival needs. Questions of public health, nutrition, shelter and transportation have a smaller economic emphasis. The kinds of jobs being created are bureaucratic jobs which are easily controlled by the large private sector financial empires. They are jobs which tend to stabilize and petrify the present class structure. People who cannot easily fit into this structure be of health, lack of verbal skills or the needed control and ability to be compliant in the face of pressures to conform to the rigidity of this structure end up poor. Many of them would not want the kind of jobs being offered by the present structure of society even if they could find acceptance in them.

2. *Industry has coped with mechanization and automation by an increased emphasis on the consumptive process.* When prices are adjusted partially by industry agreements and “self-regulation” and partially by supply and demand, the consumer rather than the wage

earner gets the emphasis. We have mentioned the emphasis for artificial stimulation to create new "needs". Planned obsolescence and an emphasis on the value of having only things that are new are other techniques to stimulate greater demand. In short, the economy needs poor people as consumers and not as producers. They are being stimulated as much as middle class people to spend their resources on non-survival "needs". Because they have fewer resources they are more vulnerable and less able to protect themselves from the multi-media onslaught.

In human terms the distortions of basic human values and disintegration of communities is appalling. In economic terms the cliché that poverty is a disease that everyone has an interest in eliminating is not exactly accurate. The poor are efficient consumers—i.e. in relation to the very small incomes they receive they can be relied upon to buy a high proportion of non-essential goods. If they had a little more money, they could afford to shop more carefully and to exercise better judgment. It should also be noted that the poor provide organized crime with its greatest source of income.

For these reasons I believe it is unrealistic to speak of putting people on welfare back into the labor market. It would tend to perpetuate the present structure of society, even if it were possible. It would not deal with the problems of affluence.

I would like to look for a moment at the problem of a guaranteed income. People often make vague statements about a guaranteed income having "unpredictable" effects on the economy. Both the proponents and opponents seem to neglect the possibility that a guaranteed income could be studied scientifically before its institution. I hold that there are certain things that could be said about it.

The greatest fear usually expressed is that everyone would quit his job, and we would all starve to death. This is patent nonsense. People just aren't going to allow themselves or their neighbors to starve. Work really has to be done for survival. A guaranteed income would not change that fact. What it would do would be to change the present wage system. If the possibility of forcing people to work through the threat of deprivation were eliminated, a lot of jobs which are disliked would either be eliminated or, if essential, receive higher wages. In short, the labor market, if unregulated, is like any other market—it reverts to the law of supply and demand. The

regulator has always been the threat of cutting people off from subsistence. Remove this and the labor market will seek its level. Non-essential jobs will be eliminated. Nobody would pay higher wages for jobs that didn't need to be done. They couldn't afford it. Essential work would be done by those who wanted to work in survival-oriented jobs, either through choice or the inducement of higher wages, or a combination of the two. Many presently low-paying jobs would tend to get much upgraded. Many high paying jobs would be much downgraded. One fact would tend to emerge. People would be happy with their work or they wouldn't work, or they would find some other work.

There is little doubt that many people would not work at all given the present array of tasks offered by society if they could be assured of a very modest but decent income. A premium would be placed on the acceleration of automation to take up the slack in essential services for survival. It is doubtful, however, whether these people would remain idle. They would begin to redefine work in terms which they would be free to invent. This would probably result in the development of new skills in the arts and sciences of human development.

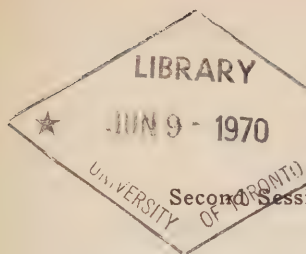
Of course, some people say: "How can you make people behave themselves if you cannot use the sanction of threatening their livelihood?" This question is a serious one and bears analysis. Would a guaranteed income tend to weaken the restraints of civilization which have formed man into his present character? Would we be producing people, suddenly "liberated" from their normal patterns of living, who, bored and empty, would dissolve into an anti-social mob which would end up destroying the very goose that laid the golden egg. There are, I think, some very effective restraints to present this. Most people are not stupid enough to stand around and watch sources of golden eggs being throttled. They would act, in community, to protect their geese from bored, empty people. Even bored, empty people manage to look after their own geese, e.g. the rich of present day society. The sanction of threatening livelihood could still be replaced by the threatening of freedom if necessary.

If the possible effects of a guaranteed income be good, why haven't we had it already? We have been living in a relatively affluent world for roughly 20 years now. Why hasn't it been tried before? Here the answer almost seems to be self-evident. Despite the

soothing sounds of comfort which often come from the mouths of proponents of guaranteed income, it would mean nothing short of the complete abolition of the free enterprise economy which is built on the foundation of coerced labour using the sanction of deprivation of the means of survival. The sanction is rarely, if ever, employed. The *threat* is enough to keep society organized the way it

presently is. Remove this sanction and the basis for privilege now enjoyed by those who direct the top echelons of corporate life would also be removed.

Guaranteed Income is often couched in the rhetoric of liberal humanitarianism. In fact, it is a very radical idea calling for a wide-sweeping change in the economic structure of society.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE

ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 37

TUESDAY, MAY 5, 1970

WITNESSES:

The Department of Public Welfare of the Province of Nova Scotia: The Honourable Gordon A. Tidman, Minister; Dr. F. R. MacKinnon, Deputy Minister; Mr. John Angus MacKenzie, Director of the Social Research and Planning Division and Chairman of the Provincial Committee on Rehabilitation.

APPENDIX:

"A"—Brief submitted by the Department of Public Welfare of the Province of Nova Scotia.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

“That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate.”

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—

Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Tuesday, May 5, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (*Chairman*), Carter, Fergusson, Inman, McGrand and Sparrow. (6)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

THE DEPARTMENT OF PUBLIC WELFARE OF THE PROVINCE OF NOVA SCOTIA:

The Honourable Gordon A. Tidman, Minister;

Dr F.R. MacKinnon, Deputy Minister;

Mr. John Angus MacKenzie, Director of the Social Research and Planning Division and Chairman of the Provincial Committee on Rehabilitation.

The brief submitted by the Department of Public Welfare of the Province of Nova Scotia was ordered to be printed as Appendix "A" to these proceedings.

At 12.35 p.m. the Committee adjourned until Thursday, May 7, 1970, at 9.30 a.m.

ATTEST.

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Tuesday, May 5, 1970.

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Chairman: I call the meeting to order. During this month representatives of provinces will appear and present their point of view on the study we are making. The first one, which is here today, is the Province of Nova Scotia. On my right is the Honourable Gordon A. Tidman, who is a very distinguished Nova Scotian, born, brought up and educated in Nova Scotia. He has been Minister of Public Welfare for the province since 1969 and is a distinguished member of the bar. He has been in politics since 1967.

He will introduce his colleagues and make an opening statement.

The Honourable Gordon A. Tidman, Minister of Public Welfare, Province of Nova Scotia: Thank you, Mr. Chairman. Senator Fergusson, Senator Inman and gentlemen: May I first introduce these two distinguished gentlemen. On my immediate right is Dr. F.R. MacKinnon, Deputy Minister of Public Welfare for the province. Sitting next to Dr. MacKinnon is Mr. John Angus MacKenzie, Director of Research and Planning.

May I first of all express our thanks for the opportunity to appear to give our views on the pressing problem of poverty in Canada. We realize, Mr. Chairman, that you have read volumes of material presented to you during the time these hearings have been in progress. We also realize that some of the things we will be saying today will be repetitious. However, they are our views and in that respect are unique.

With your permission Mr. Chairman, I will give a short summary of our brief and recommendations.

A form of income guarantee for all persons is under wide discussion in Canada and elsewhere today. We felt our brief would be incomplete without expressing our views on such a program. We are not convinced that a guaranteed annual income would be a panacea for our problem of poverty. While we support a system that would provide an adequate income for the

total population we have serious doubts about a universal program at this time. Some questions we have regarding such a proposal are:

1. There is not sufficient evidence that a universal program would do away with the need for supplementation and consequently we may simply add another program to an already confusing welfare delivery system.

2. We have doubts regarding the matter of incentive.

3. The cost of financing with adequate levels of payment.

4. What inflationary pressures would be created by such a program.

However, Mr. Chairman, we feel that these questions should be further researched and we are very anxious to see the results of programs presently in effect in the State of New Jersey, which I am sure will provide many useful insights in ascertaining the feasibility of introducing such a program.

We feel we should be placing more emphasis on making payments under our present assistance programs more adequate and secure for long term recipients of assistance. If the Federal Government would consider simplifying, stabilizing and making adequate assistance payments to persons whose need is well known and long term the beneficial effect in alleviating poverty could be very great. The suggested change would include such groups as the physically and mentally disabled, the blind and widows with dependent children. In Nova Scotia these groups comprise approximately 90 per cent of the total assistance case load.

In our brief, Mr. Chairman, we make the following specific recommendations.

1. That the Canada Assistance Plan be amended to provide a more stable and adequate income for long term unemployable recipients of social assistance;

2. That increased federal sharing beyond 50 per cent be provided to the Atlantic provinces under the Canada Assistance, and that this increased cost sharing

be related to the special social welfare needs of each province;

3. That a massive, imaginative and creative effort be made in the field of housing to encourage low cost housing, public housing and, indeed, all types of housing for the poor and marginal income groups;

4. That the federal Government, through the Central Mortgage and Housing Corporation, pay a subsidy for a five-year period to provide homes for families earning \$5,000 or less, and based upon family need;

5. That the Income Tax Act structure be amended to increase the personal exemption for mentally and physically disabled persons so that continuing incentive may be provided for their employment;

6. That development programs for areas such as the Atlantic provinces place as much emphasis on human resources as on the physical side. The federal Government should involve industry, labour, consumers of services, the universities and government at all levels in a program of regional development to upgrade education, improve housing, create employment opportunities and prevent poverty at its source;

7. That much greater flexibility and imagination be introduced into the provision of tax incentives, and that tax incentives and subsidies be provided to private industry to enlist this sector in a war on poverty so that job opportunities may be created, training opportunities provided, and the skill and expertise of industry fully utilized;

8. That the federal Government revitalize the rehabilitation program it started in 1951, which is now almost static, and that through increased federal sharing from 50 to at least 75 per cent and other similar devices:

(a) additional assistance be provided for sheltered workshops and activity centres for the disabled and handicapped;

(b) additional grants and resources be made available to rehabilitation centres;

(c) new models of federal/provincial co-operation and co-ordination be encouraged between the Departments of Public Welfare and Public Health so that greater impetus may be given to job training, upgrading, counselling, and placement of marginal workers, underdeveloped minority groups, and recipients of assistance;

(d) day care programs, head start activities and homemaker services receive increased federal assistance and encouragement;

9. The development of a social insurance program to provide for loss of income due to sickness and disability, coordinated if possible with the unemployment insurance program and earnings related;

10. That the federal Government act immediately on the recommendation contained in the Fifth Annual Review of the Economic Council of Canada and substantially strengthen the social science research capabilities in Canada; that special attention be given to the practical application of research knowledge and techniques to the social problems confronting us.

11. That a Social Science Council of Canada be created with the highest level of representation from the social sciences, and from those involved in the practical application of the social sciences to social welfare programming and policy making; that this council be the counterpart of the Economic Council of Canada, and that these two bodies make continuing recommendations regarding the elimination of poverty in Canada;

12. The establishment of a select representative body advisory to the Minister of National Health and Welfare composed of representatives from the fields of finance, business, industry, labour, the professions, the media, the universities and government at all levels to consider the problems of poverty in Canada and to make recommendations how poverty may be eradicated.

That, Mr. Chairman, is a summary of the brief, and we are now at your pleasure.

Senator Carter: Mr. Tidman, I gather from your brief that you are not too optimistic about the operation of the guaranteed annual income.

Hon. Mr. Tidman: As I have mentioned, we have many reservations. It is rather difficult to be in principle against a type of program that would guarantee a basic and adequate income for all Canadians. However, I have mentioned some of the matters that concern us about such a program, such as what it would do to incentive, whether or not it would simplify a delivery system or whether it would merely add another program to a delivery system that people now are saying is very confusing. I think at all levels of government we are concerned about the inflationary pressures that would be created by such a program if money became available, what this would do to prices, and we are particularly concerned about, what it would do for housing, especially in areas where housing is in short supply and people with low incomes find it very difficult to get housing; we are concerned about what inflationary pressures would do to that situation.

Senator Carter: Is it not a fact that there is a tendency on the part of provinces today to try to consolidate social payments under the umbrella of the Canada Assistance Plan? Would you agree with that?

Hon. Mr. Tidman: Well, yes, I think so in some areas. For instance, the assistance to the disabled and blind is now coming under the Canada Assistance Plan.

Senator Carter: Would not the guaranteed income be carrying it another step further to its logical conclusion?

Hon. Mr. Tidman: I do not think it would, because you are in a different area altogether. That may be good for some programs. I do not know whether a universal program can operate following through the principle you have stated to its logical conclusion.

Senator Carter: The Canada Assistance Plan is based on need, and its main purpose was to eliminate the old system of a means test. The Canada Assistance Plan does not define need; it leaves each province to make its own definition of need. Can you tell the committee how need is defined in Nova Scotia?

Hon. Mr. Tidman: There are many formulae of need. There is a benefit level, based on a cost of living index. In our province, unfortunately, that cost of living index is what it was in 1965 rather than as it is in 1970, and we had a lot to say to the Honourable Mr. Munro on Friday when we presented a brief to him regarding a formula under the Canada Assistance Plan. Benefit levels are set, and this determines need. We have rather a unique situation in Nova Scotia in that we have municipal units responsible, for the most part, for short term assistance, the province being responsible for long term assistance. We set out a minimum level of payments to the municipal units in order for them to have cost sharing with the province, but they are pretty well on their own as to what levels they can establish.

Senator Carter: You have a maximum, a ceiling, I think I read somewhere in your brief, of \$175?

Hon. Mr. Tidman: That is right.

Senator Carter: No matter how big the family or how great the need?

Hon. Mr. Tidman: That is right.

Senator Carter: So you are really not carrying out the spirit of the Canada Assistance Plan, because if a need is greater than \$175 a month it is not recognized.

Hon. Mr. Tidman: Well, that is true, and we would very much like to remove that ceiling. Of course, this is another matter that we pointed out. As your chairman pointed out, this is a matter which is contained in Appendix B of the brief you have before you. It is a matter we discussed very thoroughly and about which we stated our concerns to Mr. Munro on Friday last.

Senator Carter: If you spend \$175 a month on a family you get half of that back from the federal Government do you not?

Hon. Mr. Tidman: Yes.

Senator Carter: Therefore, you are actually only spending less than \$80.00. Suppose the need was \$200 a month, you would still get \$100 back. Your increase would only go up from \$90 to \$100, which is \$10 a month. What is the obstacle preventing that? Nova Scotia is paying taxes just like everybody else. Why don't you try to get back your share from the federal Government? What is preventing you from doing this?

Hon. Mr. Tidman: We do that, senator, but we have many programs in the department and it is a matter of trying to do all you can with the money which is available, that is, provincial moneys.

The level was increased from \$150 to \$175 last July. Of course, we would like very much to increase that again by either taking the ceiling off of it altogether or to at least increase it to \$200 or \$250 a month rather than \$175.

Senator Carter: If we did that wouldn't we be getting closer to the guaranteed annual income?

Hon. Mr. Tidman: It depends upon what type of guaranteed income you are talking about. I would appreciate it if you would define for me the type of program you envisage under a guaranteed income plan.

Senator Carter: It has been brought out in evidence which we have had before, particularly from Dr. Willard, that our idea of guaranteed annual income is a little different from yours. You seem to feel that a guaranteed annual income would cover everything and that there would be no need for any other services. Dr. Willard told us quite plainly that if we had a guaranteed annual income we would still have specifications and short term assistance.

Hon. Mr. Tidman: That is exactly what I am saying.

Senator Carter: I suppose the guaranteed annual income depends on what money can be allocated to it. I would envisage that we would get set goals or targets which we would meet. We might not be able to meet it the first, second or third year, but we would have the targets and work towards it. I am not concerned about the dollars and cents, but the principle of the thing as compared with the Canada Assistance Plan and the hodge-podge which we have today.

Hon. Mr. Tidman: Of course, as I stated before, it is pretty difficult to be against such a program in principle, but unfortunately it is a matter of the practical application and whether it will in fact work. That is why we feel that one has to take a hard look at its practical application and what will be the problems if such a program is introduced.

We are simply pointing out in our brief that we are concerned about these particular problems I have mentioned and would like to see more research done on them. We are certainly very interested in learning the results, when they are available, of this project that is now underway in New Jersey.

Senator Carter: You have not given us any concrete evidence. You have expressed your concern in a very vague way. We are all concerned and all see problems. You must have more than that to go on if you are planning to shoot the thing down. You have got to have pretty good solid evidence, the same as you would have if you were going to support it.

Hon. Mr. Tidman: I have someone with me, senator, who has done a lot of research into the forms of guaranteed income. Perhaps Mr. MacKenzie would like to say a few words.

Mr. John A. MacKenzie, Director of Research and Planning, Department of Public Welfare, Province of Nova Scotia: It becomes very difficult. The type of guaranteed income I ascertain you are speaking about is really embodied in the Canada Assistance Plan which was designed to pay assistance to people on the basis of need. If that is all you define as a guaranteed income then I do not think we have a quarrel. When you speak of Theobald and Friedman and some of the other chaps who have been writing on things like the negative income tax, the Theobald supplement, or demogrant system, you will find that there have been many questions raised.

If you take the Friedman approach, which guarantees a portion of needed income, whether this be a flat portion or a graduated one, it is probably cheaper, but it really does not deal with the problem of poverty. I

do not think it will deal with the problem of poverty any more effectively than our present needs test program which is in operation with the Canada Assistance Plan. In addition to this it is always based on last year's earnings and it does not get at immediate short term needs. Therefore, you already have some supplementation. As you know, in these types of programs when you have a flaw like this you are going to get into a great deal more supplementation. Of course, one of the assets here is supposed to be that it will contribute toward incentives. People who work will always get more and therefore they will be encouraged to work. This is of course assuming that man only works in order to make money, and there are writers who have some serious questions as to why man works, and whether he works for bread alone.

Senator Carter: The New Jersey experiment has pretty well answered that question, has it not?

Mr. MacKenzie: I do not think it has yet. They are looking at a number of things, such as the effect of an occurring income of a negative income variety which is a percentage of total need. In a number of ways they are looking at it in respect to the mobility of a person, whether he will move to take a job, and consequently look at the incentives. They are also looking at it in respect to the family solidarity and the effects of such a program of the education attainment, relationship between husband and wife, political consciousness of the family and a variety of factors. Maybe there is something out recently which I have not seen.

Senator Carter: With regard to one point incentive, if they have demonstrated anything at all they have demonstrated that the guaranteed annual income did not destroy incentive. If the working poor get additional payment, on the contrary, it encourages them to get into the mainstream of life and to participate in life and society and work harder to maintain that position and to improve it.

Mr. MacKenzie: I am not sure it has categorically proven this one way or the other. My understanding is that they still have some time to go in analyzing this in order to find out. This is one of the things we are hanging our arguments onto, but we want to see the results first.

If you look at the second form which is Theobald's, you will see that it is mainly based on the assumption of the new social order rather than the Friedman type which is based on promoting the free enterprise system and doing away with the interference of governments with so many welfare programs. Theobald would deal with the problem of poverty.

There would be a guarantee but once again it would be based on last year's income, because it would be done through the tax structure. It would be tremendously costly.

Senator Carter: How costly would that be? I know it would be costly, but I would think it would cut down the cost. Administering it through income tax means you have to pay for it anyway.

Mr. MacKenzie: I do not think there is anyone who has said that the Theobald plan would be less costly.

Senator Carter: What is making the extra cost?

Mr. MacKenzie: I think that when you move from an inadequate to a poverty program, to a program to provide assistance on a poverty level, you automatically go up in cost.

Senator Carter: Are we not doing that in the guaranteed income supplement at the present time?

Mr. MacKenzie: I do not think we are, and if we are, we are doing it for a very small segment of the population.

Senator Carter: I know it was for a small segment of the population but are you saying it is increasing the cost?

Mr. MacKenzie: Pardon me?

Senator Carter: Are you saying that it is increasing the cost because we are doing this, paying the old age pensioner a negative income tax instead of the guaranteed income supplement?

Mr. MacKenzie: I think the total cost of the program has increased.

Senator Carter: It has increased because of the payments but not because of the administration.

Mr. MacKenzie: Oh, no, I am not singling out administration or payments, because there are many unanswered questions.

Senator Carter: If you are going to pay even more, you must increase the cost. I cannot see the force of your argument.

Mr. MacKenzie: The force of my argument is this, that nobody really seemed to know what it was going to cost. Every time you read an article there is a different suggestion, as to a different cost of guaranteed income, and this varies with the type of guaranteed income.

Senator Carter: You said earlier in answer to a question that it would not be any more than the Canada Assistance Plan now, and if the Canada Assistance Plan is not working as it should that is not the fault of the Canada Assistance Plan.

Mr. MacKenzie: No.

Senator Carter: It is the fault of the provinces and of the priorities they give. If you in Nova Scotia decide to have a ceiling of \$175 a month, you are establishing a priority.

Mr. MacKenzie: That is right, but when you look at the Atlantic Provinces you have a two-fold problem. On the one hand you have a large segment of dependent population and you have a relatively low provincial tax base to support that population, because of the backwardness in respect of industrial development. You have also got the problem of trying to introduce industrial development and to provide jobs. And you are going off at two tangents at the same time. You have to have the population to do this. You have an added factor of a heavy dependency load. I think there is agreement that the welfare payments, aside from the categorically dependent, are not the answer to poverty in the long run. Only jobs are, and an adequate wage structure. You get in the double bind and that is what we are concerned with.

One of the big flaws we see in the Canada Assistance Plan is that the Canada Assistance Plan is based on the formula of dollar for dollar and as such it assumes that each province has an equal tax base from which to put moneys into welfare. Over and above this, because of our state of industrial development, our high unemployment rates, our low labour force participation rates—and this is probably more exaggerated in Newfoundland than in any other province—you have this trouble and this problem with a much larger proportion of the population, including welfare.

The answer is to alter the formula in a way which would take into consideration regional disparity, which would take into consideration the needs across Canada, rather than introduce any blanket new program, which we do not really know so much about yet.

Senator Carter: I gather from your recommendations that you recommend there should be a different basis for the Canada Assistance Plan.

Mr. MacKenzie: That is right.

Senator Carter: What formula would you prefer? Would you prefer the 50 per cent plus an extra in

proportion to the difference between the annual per capita income, or something like that?

Hon. Mr. Tidman: This is what the formula is based on. It is one based on labour force participation rates and per capita income, and takes into account the difference in per capita income in various provinces, and the formula is arrived at after taking those factors into consideration.

Senator Carter: Have you submitted a copy of the formula?

Mr. MacKenzie: Yes, we have.

Senator Carter: Could you get it to this committee, the actual formula?

Mr. MacKenzie: Yes. I believe it is in Appendix B.

The Chairman: What was the old formula?

Senator Sparrow: Page 11?

Mr. MacKenzie: It is not in the appendix but in a separate brief which we referred to Mr. Munro.

Senator Sparrow: You referred to page 11?

Mr. MacKenzie: The formula is not in this brief but in a separate brief. What we tried to do in the formula is a variation in industrial development over the tax resource base to provide that.

Using these figures in Newfoundland, instead of the dollar for dollar as in the Canada Assistance Plan, Newfoundland would get \$1.40 for every dollar expended, taking into consideration the greater need in this particular area, due to the increased assistance case load and due to factors like the lower state of industrial development, which is a reflection of the tax.

The Chairman: Mr. MacKenzie, what is the present formula?

Mr. MacKenzie: Dollar for dollar.

The Chairman: How do they fix it? What was the thinking behind it? There must have been negotiations?

Dr. MacKinnon: How was it fixed? I think, Mr. Chairman, there were no negotiations. This idea of a 50-50 split has become somewhat historic and traditional. I do not think there is any rationale to it. I am not aware that there was any rationale to it.

Hon. Mr. Tidman: Was there not, Dr. MacKinnon? At the time the formula was arrived at, did not the Atlantic Provinces make representations that a formula should be taken into consideration?

Dr. MacKinnon: Yes.

Hon. Mr. Tidman: And other items we are now seeking should be taken into consideration?

Dr. MacKinnon: Yes, but I understood the question to be, how was the 50 per cent arrived at, what was the rationale behind it? And I am not aware that there was any rationale, any specific rationale.

Senator Carter: The act does not specifically say that. It said you would make a separate agreement with the provinces. Could they come up with a different formula at the beginning?

Dr. MacKinnon: That is a matter of opinion. The Atlantic Provinces did make strong representations, and we in Nova Scotia made strong representations, at that time. We did not achieve a change. There was no change. And we were told—again, this is pure supposition, I cannot prove it—we were told there were other drastic changes made in the sharing formula, not in the 50 per cent but in other aspects of the sharing formula which were the result of the pressures which the Atlantic Provinces made at that time.

To be specific, when the Canada Assistance Plan came out in 1966 or 1967, there were no sharing provisions for child welfare services, which are quite a large item of expenditure in the provinces.

At a later stage, child welfare expenditures were included. This meant a very substantial sum of money to Nova Scotia, which we were able to re-invest in expanding our program. This extra federal revenue was re-invested in the expansion of the other aspects of the program. But we did not succeed in changing the basic 50 per cent formula, in other words, the sharing, when the field of sharing, senator, was broadened.

Senator Carter: What about able bodied relief? Was there any sharing of that prior to the Canada Assistance Plan? It is shared now under the Canada Assistance Plan, isn't it?

Dr. MacKinnon: It is something like the old Employment Assistance Act of 1966.

Senator Carter: I am not talking about that.

Dr. MacKinnon: No, but you asked if there was any sharing prior to the Canada Assistance Plan, and I am

saying that there was, but that you could not supplement the income of a wage earner under the old system. Now you can. For example, dealing with supplementation to a low income wage earner in the bracket of \$2,000 a year, prior to 1967 under the Canada Assistance Plan, if you supplemented that, it was not shareable; it now is shareable.

The Chairman: The minister has just given me the formula presented to the Minister of National Health and Welfare. With your permission I shall place it on the record. Is that agreed?

Hon. Senators: Agreed.

"The Formula"

A. Personal income per person requires adjustment on the basis of national average labour force participation rates, thus:

$$\frac{\text{Labour force participation rate/Canada}}{\text{Labour force participation rate/Province}} \times \text{Personal income/person/province} = \text{Personal income/person/province at national average labour force participation rate:}$$

$$\frac{\text{L.P.C.}}{\text{L.P.R.}} \times \text{P.I.P.P.}$$

This personal income per person at national average labour force participation rates reflects:

- (i) differences in wages;
- (ii) differences due to differences in unemployment rates;
- (iii) differences due to differences in wage structure e.g., due to differences in proportions of the labour force engaged in industry, services and agriculture;
- (iv) in general differences in the income distribution, i.e., a low adjusted average personal income per person shows a distribution like a flat pyramid; a high one, like a sharp pyramid; the adjusted income is therefore, a good measure of poverty and consequently of expected caseload, if comparable standards of assistance are set across the country. (The poverty line will proportionately take in more people in the case of a flat pyramid).

B. Through the equalization payments of the Federal Department of Finance, provinces are in a

position to spend a certain per cent (say, the national average) of their net revenue on welfare. However, the equalization payments do not take into account the need for a number of provinces to spend more than this national average because their prospective caseload is proportionately greater than in other provinces. (See A above) This is, of course, true even when some of the poorer provinces in actual practice spend less than the national average. It may be contended that the equalization payments do not achieve what they were supposed to, because priorities are perceived differently by different provincial governments. If, therefore, the Department wishes to steer completely clear of the fiscal policy, it will have to set some lower limit up to which payments will be matched as at present. This lower limit could be the national average. If the province for fiscal reasons is unable to do so, the Federal Department of Finance could make a conditional grant, matched by the Canada Assistance Plan to allow the province to bring up its expenditure to the national average. (But see II D.)

C. Not only do some poor provinces spend more than the national average, they should spend more in order to make assistance standards uniform across the country. Since they should spend more than the national average, because they have a higher proportion of potential welfare recipients, the question arises: how much more? A factor which relates the adjusted personal income per person to the average personal income in Canada would indicate how much worse off a province is than Canada as a whole. (See points (i), (ii), (iii), (iv), but particularly (iv), under A above.) The most obvious way of doing this would simply be to take the proportion of the two, as follows:

$$\frac{\text{P.I.P.C.}}{\text{L.P.P.} \times \text{P.I.P.P.}} = \frac{\text{L.P.P.} \times \text{P.I.P.C.}}{\text{L.P.C.} \times \text{P.I.P.P.}} = \text{Factor}$$

Where:

- L.P.P. = Labour force participation rate in province
- L.P.C. = Labour force participation rate in Canada
- P.I.P.C. = Personal income per person in Canada
- P.I.P.P. = Personal income per person in province.

D. On the basis of this factor, the Canada Assistance Plan could adjust its payments to the provinces whose factor is greater than 1 in the following way:

The federal government sets no upper and lower limits and therefore does not exercise pressure to improve assistance standards and make them comparable throughout the country. Present expenditures are reimbursed on the basis of the factor only. Whereas, at present, a provincial outlay is matched dollar for dollar, it could be

matched by an amount equal to the factor. If, e.g., the factor is 1.40, \$1.40 is contributed for every \$1.00 spend by the province. Table 35 shows what would have happened if this method had been in force for 1967-1968."

Senator Carter: The \$175 ceiling that you have in Nova Scotia was established prior to the Canada Assistance Plan, was it?

Hon. Mr. Tidman: It was established last July, senator.

Senator Carter: Only last July? What was the ceiling before that?

Hon. Mr. Tidman: It was \$150 prior to that.

Senator Carter: At the bottom of page 11 of your brief you give figures indicating that if you were to adjust the poverty level for Nova Scotia you would have two separate amounts. You would have \$2,656 for a poverty level in an urban environment whereas you would have \$2,231 in a rural environment. If we persuaded the Government to bring in a guaranteed annual income, would you then also have separate levels in that guaranteed income for rural and urban areas?

Hon. Mr. Tidman: We simply suggest there, senator, that the cost of living in fact differs as between urban and rural areas.

Senator Carter: But if we had a guaranteed annual income would you suggest having different levels of income for urban and rural areas?

Hon. Mr. Tidman: We are, of course, looking at the problems that happen with a guaranteed annual income, and this would be one of them. We are simply pointing out there, senator, that the cost of living is different as between urban and rural areas. That difference exists primarily because of the difference in shelter costs. If you were, in fact, going to provide the same things for people living in urban areas as opposed to those living in rural areas, then you would have to take that into consideration, yes.

Senator McGrand: You would have to apply some kind of means test.

Hon. Mr. Tidman: It would not really be a needs test. There is a principle involved there, but it is simply based on the cost of living in the two areas.

Senator Carter: But do you think a guaranteed annual income should have two separate income levels;

that it should discriminate between urban and rural areas as a matter of principle?

Hon. Mr. Tidman: We are saying it is a fact that the cost of living is different in an urban area as opposed to a rural area and that that should be taken into consideration.

The Chairman: Following that same line of questioning, may I just point out to the Minister that in respect of Old Age Security, Family Allowance and Unemployment Insurance, people in urban and rural areas receive like sums. Moreover, people living in urban and rural areas pay taxes in like sums. Why should a distinction be drawn as you suggest? Have we not, Mr. Minister, already established a method or pattern of dealing with these matters.

Hon. Mr. Tidman: Well, yes; what you say is certainly true, senator. I cannot argue with that.

Senator Inman: Mr. Chairman, I should like to congratulate the gentlemen who are here this morning for their large, complete and informative brief. I should like to direct my first question to page 1, recommendation No. 3, dealing with housing. This committee has been intensely interested in housing. The members of the committee have visited many public housing projects in the course of our travels. I should like to know what efforts your province has made in the field of housing, and whether you think there should be a change in the landlord and tenant laws.

Hon. Mr. Tidman: If I may answer your last question first, senator, there were in fact changes in the landlord and tenant law at this session of the legislature in Nova Scotia. Various things were changed. For example, one change enabled a body to be set up to adjudicate arguments between landlords and tenants. Another change empowered such body to in fact establish rentals, if there was any argument over rentals. Another change did away with items that had been in the Distress for Rents Act for many years, and did away with distress for rents altogether, placing the landlord in the same position as any other creditor instead of giving him priority as he had had.

Senator Inman: The reason why I am concerned is that there is no question that in many cases poor people are being exploited by landlords. For example, in one house that I visited on the west coast the furnace was broken, several windows in the upper storey were broken, and yet, although the woman paid \$150 in rent a month, the landlord refused to do anything about repairing these things. I am interested

in knowing what your province is doing in situations of that kind.

Hon. Mr. Tidman: When I was a member of the Law Amendments Committee hearing representations from various groups, mostly tenant groups but some landlord groups as well, I heard arguments and listened to descriptions of situations similar to what you have just described, senator; we listened to the various recommendations those groups had to make so far as the legislation was concerned, and I must say that the changes we effected in the legislation went a long way to alleviating some of the problems you have described.

Senator Inman: Do you find public housing satisfactory in your province or do you have many complaints about it?

Hon. Mr. Tidman: Most of the public housing projects are joint projects and are based on rules and regulations under which Central Mortgage and Housing is governed. One thing we have pointed out in this brief is that there are, in the field of housing, certain areas other than public housing that, perhaps, should be examined, because the results would be more beneficial. It seems to me, for instance, that one problem in housing that needs to be looked at is the problem of low income people not being able to raise money either for buying an existing home or repairing an existing home. Even before I went into government I found as a practising lawyer that it was very difficult for low income people to buy through Central Mortgage and Housing Corporation an existing home in a rural area. It was also very difficult for them to get funds to repair their homes. So far as conventional mortgage companies were concerned, these places were very low on the priority list. The companies were not very interested in lending money to people in such areas; moreover, the companies were not interested in lending money to people with an income at such a level that they really needed assistance.

This is an area in which Central Mortgage and Housing Corporation has failed. I don't mean to be critical of Central Mortgage and Housing, but it is a fact that they are not doing this type of thing. Of course there is a concerted effort in the field of public housing now, but that is taking people out of their own homes and out of their own areas and putting them all together into one particular area. And I must say that in the province of Nova Scotia we have had some bad experiences in doing just that. For instance, in Nova Scotia there was an area called Africville. People did in fact relocate from Africville, from a very low standard of living accommodation, into a public

housing project. They simply moved. What has happened since then has not been very pretty, because they have ended up having to make payments which they did not have to make before. Where they were before, they owned their own homes, whatever type of homes they might be, and they had no payments to make. But now they are in a position where they have regular payments to make and it is very difficult at their income levels to do that. What we have said is that there should be some program or some follow-up procedure rather than just providing homes or groups of homes for low-income people and saying "this is your home; you move in, and everything is fine." Because everything is not fine and social development programs and homemaker services should go along with the housing. There are houses, for instance, in Nova Scotia that could be purchased at a very low price and that could be provided for these people, but there is no vehicle that we have now to do this for people on low incomes.

Senator Inman: Is there any movement with regard to the rehabilitating of older and larger homes and making them into apartments?

Hon. Mr. Tidman: There has not been to date, but this is one area we feel should be explored and we are doing it on a small scale.

Senator Inman: I think St. John did a good job on that sort of thing. Now with reference to page 3, recommendation 8, do you have Head Start in your province?

Hon. Mr. Tidman: Yes.

Senator Inman: Do you find it proving satisfactory?

Hon. Mr. Tidman: Well, yes. I have not had that much experience with the Head Start activities. They are, of course, used by the Social Development Division, and this is one area of the Department which I feel in the short time that I have been there was certainly needed, and there is a future for it. I have visited several areas in the province where the Social Development Division is working, and I have been very much impressed by the type of work they are doing where people are relocating. In some areas they have built under the Nova Scotia Housing Commission in co-operative groups, and we have people who work with the families and in fact try to rehabilitate the families, and Head Start activities are very active in these projects during the summer months. Perhaps Dr. MacKinnon could enlarge on that.

Dr. MacKinnon: There is not much I can add. It is too early yet to answer your question. We have been at it for three years. It is one of the benefits that came from the federal sharing of costs of community development. We started it first three or four years ago with one project, and then expanded it to three or four in the second year, and then up to ten or eleven in the third year, and this year we have something in the vicinity of 14 or 15 Head Start projects throughout the province.

Senator Inman: Generally you find it well accepted?

Dr. MacKinnon: It is accepted most enthusiastically with complete co-operation from the communities involved, black and white. We started it first in a black community and then moved into disadvantaged white communities.

Senator Inman: Because I feel this should have a bearing on the question of poverty.

Dr. MacKinnon: We are being optimistic. We think it is having an effect and that it will have an effect, but to answer your question scientifically and say we have absolute proof that it is happening, and so on, beyond an opinion—at this stage it would not be fair to say that we have. It is too early.

Senator Inman: Regarding day-care centres, I wonder if there is any thought given in your province to trying to encourage industry to establish day-care centres, that is industries where women are employed? There is one place, I believe, in Ontario where industry has established such centres with good results. That is why I am wondering if any thought has been given to doing this in your province.

Hon. Mr. Tidman: No, although it is one of the recommendations we have made, that industry be involved and should look at areas in which they could provide an input to solve some of these problems. Of course this is a particular problem where the woman is the breadwinner in the family and who has problems regarding facilities for her children during the day while she is working. Since our province is largely rural rather than urban, it is something that could not be used in a large portion of the province.

Senator Inman: But you are getting some industry there?

Hon. Mr. Tidman: Yes, we are and we are making progress. I don't like to paint too black a picture of the province of Nova Scotia. But while we are making

progress, we would like to catch up a little more quickly than we are doing.

The Chairman: I neglected to mention the fact that Senator Harold Connolly will not be here today. He is ill.

Senator Fergusson: I have several questions I want to ask. At the outset let me say that I think we have all found the brief most informative and extremely interesting. It is particularly so to people from the Atlantic Provinces who have many of the problems that you have in Nova Scotia.

On page 8 at recommendations (a) and (b) you ask for additional assistance to be provided for workshops and activity centres for the disabled and handicapped and also, in (b), additional grants for rehabilitation centres. Now you also refer to this on page 19, I think, but you do not elaborate on it. Would you tell us just how much you have in mind or just what do you think should be provided?

Hon. Mr. Tidman: Well, what we have said is that the sharing should be increased from 50 per cent to 75 per cent for activity centres and shelter workshops.

Senator Fergusson: This applies to all the things where you have asked for sharing?

Hon. Mr. Tidman: We say it should be done in all fields of rehabilitation, including workshops and activity centres and rehabilitation centres. We think the sharing should be increased to 75 per cent from 50 per cent.

Senator Fergusson: How many rehabilitation centres do you have in Nova Scotia?

Hon. Mr. Tidman: Dr. MacKinnon tells me that in total we have one rehabilitation centre, one shelter workshop and eight activity centres.

Senator Fergusson: What is an activity centre?

Hon. Mr. Tidman: Well, I will attempt to define an activity centre and if I get into difficulty, Dr. MacKinnon can assist me. It is a problem which I have had since I came into the Department, senator, to answer exactly that question. These are centres operated for the most part by the Canadian Association for the Mentally Retarded and they direct their efforts to the mentally disabled who are not able to be rehabilitated to provide an activity for them. In other words, to have some sort of program for their benefit. As I said, these are people who are not capable of being

rehabilitated and the aim is to provide an activity for them.

Senator Sparrow: I have a supplementary question. Are you talking of schools now, retarded children's schools?

Hon. Mr. Tidman: No.

Senator Sparrow: They are in addition to these, then?

Hon. Mr. Tidman: Yes.

Senator Sparrow: How many of those have you?

Hon. Mr. Tidman: We have four homes for severely mentally retarded children in four separate areas of the province. We have one in the Halifax-Dartmouth area, located in Dartmouth; one in Digby, for the western region; one in Pictou, for the central region; and one in Sydney, for the Cape Breton area.

Senator Sparrow: These are institutions and not schools?

Hon. Mr. Tidman: Yes.

Senator Fergusson: Does not the provincial government support these activity centres? You mentioned they were under the mental health.

Hon. Mr. Tidman: Yes. We have just finished devising a formula under which we can assist activity centres, and we assist the sheltered workshop as well.

Senator Fergusson: You mean, you did not do it before?

Hon. Mr. Tidman: We did it by way of grants, in some cases, but we did work out a cost-sharing formula, depending on how much money the local community or association put in, and we have matched that. That is the formula that is used at the present time.

Senator Sparrow: Is there a federal contribution to those centres under the Canada Assistance Plan?

Hon. Mr. Tidman: Yes, we receive federal sharing.

The Chairman: 50 per cent.

Dr. MacKinnon: It does not work out at exactly 50 per cent; it is salaries and travel. They are not the only items in the operation of a sheltered workshop, rehabilitation centre or activity centre, but it works out at somewhere between 40 and 50 per cent.

Senator Fergusson: You have to provide the place in which it operates?

Dr. MacKinnon: Yes, but there is no sharing of the capital costs or equipment or that kind of thing, but that is minor.

Senator Sparrow: Then in the one sheltered workshop, in the activity centres and rehabilitation centres, do you, as a province, pay 100 per cent of salaries and travelling costs, and then get a rebate of 50 per cent, or does the community pay a portion of the salaries?

Dr. MacKinnon: Our formula with these centres is approximately 50 per cent. The same formula the federal Government has with us, we have with them.

Senator Sparrow: You get back 50 per cent?

Dr. MacKinnon: Yes.

Senator Sparrow: And so they do not pay 50 per cent, but the total cost?

Dr. MacKinnon: Let us take, for example, an activity centre that cost \$20,000. They would have to raise \$10,000 locally, in some way, and we would put in \$10,000 and get \$5,000 back, so it works out at \$10,000 from the local community, \$5,000 from us and \$5,000 from the central government.

Senator Fergusson: On page 10, under item 26, you say that you think there should be a major amendment to the Canada Assistance Plan so that a program could be introduced "that guarantees a stable income for all those considered by the Province to be in the category of long-term recipients of assistance."

Who do you consider come into this group of long-term recipients of assistance?

Hon. Mr. Tidman: The physically and mentally disabled, the blind, widows with dependent children or deserted wives with dependent children, would be people we would consider to be long-term recipients.

Senator Fergusson: This is one of the things I wanted to ask you about, on which I did not see anything in the brief, and that is about the working women who are heads of families. Do they pose a problem in Nova Scotia? We have found in many places that this is a great problem. One thing is that many women, even though earning salaries to support children, do not get as good pay as men doing the same job, and this adds to the poverty problem for these people. This is quite a big problem throughout Canada, and you did not seem to mention it—unless I missed it. I was wondering if you do not recognize this as a real problem in Nova Scotia.

Hon. Mr. Tidman: Yes, senator, it would be unfair to say that we do not.

Senator Fergusson: Maybe it is not a big problem.

Hon. Mr. Tidman: A large portion of our long-term case load is made up of widows or deserted wives with dependent children. What we are saying in Recommendation No. 26 is that these people really should be adequately cared for, and you may, if you like, say that we want to guarantee an adequate level of income.

The Chairman: That is what I thought you were saying. Mr. Minister, so you know that they are half the poverty problem in Canada?

Hon. Mr. Tidman: We say it contributes about 90 per cent of our problem in the Province of Nova Scotia. There are two ways of approaching it. These people should have a more adequate level of income, because there is no hope of their getting back into the labour force. Within that group you would have to separate the women with dependent children from the physically disabled and mentally disabled, the blind, deaf, etcetera, and have a type of program such as day care centres for these mothers and a different type of program for them. They can perhaps be rehabilitated, or in cases of wives with disabled husbands, perhaps you could work with the disabled husband so that he would in fact become the homemaker and the woman could then go out to work. There are age-old problems, as you have mentioned, as to whether or not a woman doing the same job as a man should receive equal pay, but we are saying that there should be a program for these people to guarantee them an adequate level of income.

Really you could put them in that category and, as far as administration is concerned, you could pretty well leave them alone. You would consider them as unemployable and you would not have to go checking on them all the time, to see what they are doing, what they are making, and how they are, with regular physical examinations to determine whether they are in fact still disabled, with regular visitations to determine what additional income is received over the year. We feel, for this particular group, that if they were set aside it would not be necessary to do that as intensively, and the administration costs would not be as great.

Senator Fergusson: You feel that 90 per cent of your problem is this sort of family?

Hon. Mr. Tidman: Yes. I was amazed at those figures. Of course, as you know, there are many criticisms of the welfare system in all the provinces, and we are no different in Nova Scotia. On the one hand, people cry that many are receiving assistance who in fact should not be receiving it. On the other

hand, there are people who say that we are not providing the level of assistance we should for people who are receiving assistance. So there is really confusion in the minds of the public.

I think they have a tendency to lump everything together, and they have either one point of view or the other point of view. There are many people in Nova Scotia who have the point of view that there is something wrong with the welfare system because there is a lot of employable people who are in fact not employed, so I was very interested in knowing what the figures and percentages are.

Senator Fergusson: Have you been able to discover what they are?

Hon. Mr. Tidman: We consider that in Nova Scotia 90 per cent of the total public assistance case load is made up of people whom we would consider unemployable. Included in that 90 per cent are, of course, deserted wives and widows with children.

Senator Fergusson: Is it not too bad that we cannot make people understand these figures? If they did understand there would not be so much criticism.

Hon. Mr. Tidman: Yes, I think we should try harder to do that.

Senator Fergusson: What is needed is education of the people.

The Chairman: Mr. Minister, our preliminary study indicated that the figure for Nova Scotia is 65 per cent rather than the 90 per cent you have mentioned. You are nearer the problem than we are, of course, but those are the figures we have. It is about 50 per cent across the country, with some variations, and in Nova Scotia it is 65 per cent, but you say it is 90 per cent and you may be right.

Hon. Mr. Tidman: I do not know how you worked out those figures.

The Chairman: We did the same kind of guessing that you did.

Hon. Mr. Tidman: You obviously did not do the same type of guessing.

The Chairman: Anyway, those are our figures, but you may know more about this than we do.

Senator Fergusson: I should like to ask a question about item 70 on page 25:

Poverty in Canada should be and is just as much of a concern of finance, business, industry and labour as it is of a selected group of politicians, public servants, social workers and others who happen to be directly concerned with it.

Apparently, you think that they should all get together to work out these problems. How do you think you will be able to persuade those people to sit on a board to study the matter and make recommendations. If you can get them to do that, what kind of work can they do?

Hon. Mr. Tidman: You asked a question as to whether industry was, in fact, interested in setting up day care centres for their working women. This is one area, perhaps, in which industry could assist. There may be principles of business by which businessmen look at a problem and arrive at a solution. What we are saying is that the problem of poverty is no different. A businessman with sound business principles can look at a problem, and using those same techniques he may be able to come up with programs for attacking the problem of poverty. The problem of landing a man on the moon has been solved, as have many other problems, by industry today.

Senator Fergusson: Do you mean that new technology might be applied to this problem?

Hon. Mr. Tidman: We think it is possible that some inputs could be made in that direction.

Senator Fergusson: That does not mean that you can persuade them to do it.

Hon. Mr. Tidman: We are saying that, in fact, they should be doing it. I do not know whether any concentrated effort has been made to persuade them.

Senator McGrand: On page 14 you say:

The 1965 brief on poverty in Nova Scotia stated that 75 per cent of Nova Scotia families earning \$3,000 or less owned their own homes.

Would that be general throughout Nova Scotia, both urban and rural?

Hon. Mr. Tidman: Yes, it would include both rural and urban.

Senator McGrand: On page 60 of Appendix A you say:

For the entire province of Nova Scotia, the rural non-farm inhabitants have the lowest total family incomes.

Hon. Mr. Tidman: Yes.

Senator McGrand: In other words, you are saying that 75 per cent of Nova Scotia families own their homes, and they have the lowest income in the entire province; is that right?

Hon. Mr. Tidman: Yes.

Senator McGrand: These people, I presume, are part-time woods workers, part-time farm help, part-time fishermen, and part-time workers on the highways?

Hon. Mr. Tidman: Yes.

Senator McGrand: At page 25 of Appendix A you say that there is a relationship between poverty and land ownership. I would like to hear that discussed. Would you tell us what you mean when you say there is a relationship between poverty and land ownership.

Hon. Mr. Tidman: This is in Appendix A, which is an extract from the Dalhousie brief. Perhaps I should ask Dr. MacKinnon to say a few words on this.

Dr. MacKinnon: In the eastern part of the province particularly there are many examples of this kind of thing, senator, where young people have moved out to work in our own centres of population, or they have come up here to central Canada to work, and they have left the old people and a few others who were not aggressive enough to go elsewhere to find employment. Those who are left have these small farm holdings, which have now become completely marginal so far as income is concerned. There is a very large number of those. What I take the Dalhousie brief to be saying is that we have an inordinately large number of holdings like that. The Canadian Welfare Council did a survey of Inverness County, which is rather typical.

Senator McGrand: Yes, I read it.

Dr. MacKinnon: It brought out that in Inverness County there is a declining population because of an exodus of young people. The old people have been left on the old farm holdings, and they have an inadequate income, and they are unable to make improvements. The buildings are deteriorating, but they own them.

I do not know what the Dalhousie brief is proving when it says this, but there seems to be a relationship between poverty or a very low income and home ownership. These people own their homes, but that is all that can be said about them. They are in an area of declining values, and in 10 or 20 years there will be nothing left but stone fences and spruce.

Senator McGrand: And the buildings are deteriorating all the time.

Dr. MacKinnon: Yes.

Senator McGrand: You mentioned that this survey was of Inverness County, but you could have mentioned also Guysborough County.

Dr. MacKinnon: Yes.

Senator McGrand: Guysborough is the poorest county in Nova Scotia.

Dr. MacKinnon: Yes, and there is Antigonish and Pictou about which the same thing can be said.

Senator McGrand: Reference to these statistics indicates that in most of the communities the average of the non-farm rural people runs from about 60 per cent to sometimes nearly 80 per cent of the families who are below the average of adequate income. It is evident in most of the counties in Nova Scotia and, to my mind, represents a serious problem.

How do you feel that this can be overcome in Nova Scotia? Will the guaranteed income we have mentioned make life better for these people? Can they stay where they are rather than migrate to the larger centres if they receive some assistance in the way of a guaranteed annual income?

Hon. Mr. Tidman: No, a guaranteed income route would not really solve the problem. The need is job opportunities for these people.

Senator McGrand: What kind of jobs would you provide for them? Where would you find this expansion of industry that would employ these people?

Hon. Mr. Tidman: I wish I had the answer to that question as do, I am sure, many other people. This is something that is going on everywhere. We are no different in Nova Scotia. There is a trend of movement from the rural to the urban areas because of job opportunities, with concentration on growth centres in various areas of the provinces.

Industrial development in the Province of Nova Scotia has not been confined to growth areas. Industry has located and provided job opportunities in rural areas. These areas of the province cannot be ignored. There must be some development in them. Consideration has to be given to what can best be introduced in the particular area. If it is an agricultural area, then maybe it is a place to develop agricultural industry, such as canning factories, cold storage plants and other installations.

Senator McGrand: Reference is made to the fact that the buildings at Inverness and other places are deteriorating and the land is not used, but is growing up in spruce. Do you not think that this is one way to increase Nova Scotia's potential wealth?

Hon. Mr. Tidman: Do you mean by way of a guaranteed income?

Senator McGrand: No, by allowing these areas to grow up in spruce?

Hon. Mr. Tidman: I do not know to what extent it would increase it or whether we could move everyone out of the rural areas and allow them to grow back.

Senator McGrand: They do not have to leave these areas. In fact, they stay there and work in the development of the resources. Do you not think that has great potential in the relief of the economic conditions of Nova Scotia?

Hon. Mr. Tidman: Personally I do not think that it would have that great an impact.

Senator McGrand: All right; you have answered my question.

Senator Fergusson: It would be a rather long term.

Senator McGrand: Of course it is long term.

Senator Sparrow: Do you have an hours of work act in the province?

Hon. Mr. Tidman: No; we have a minimum wage act.

Senator Sparrow: No maximum hours of work per week?

The Chairman: Wait; Nova Scotia is never that far behind the rest of the country. I do not think that can be true.

Hon. Mr. Tidman: It is covered in the minimum wage act.

Senator Sparrow: What are your hours of work?

Hon. Mr. Tidman: I think it is 40. I cannot tell you.

The Chairman: Senator Sparrow can take it for granted that they have hours of work legislation.

Senator Sparrow: I wondered whether it was 44 or 48 hours. It differs in various provinces.

Would you give me your provincial budget for this year and the last number of years?

Hon. Mr. Tidman: The provincial revenues applied to welfare?

Senator Sparrow: No, the total provincial budget. I have your department's annual budgets. The figure I have for this year is \$32,900,000.

Hon. Mr. Tidman: It is between \$32 million and \$33 million for the current year.

Senator Sparrow: What is your total provincial budget?

Hon. Mr. Tidman: Approximately \$300 million.

Senator Sparrow: What rebate do you receive from the federal Government on the \$32,900,000?

Hon. Mr. Tidman: It varies; I think our recoveries were approximately \$14 million last year.

Senator Sparrow: Is there a municipal contribution in addition to that amount?

Hon. Mr. Tidman: Yes.

Senator Sparrow: What is the amount of the additional municipal contributions?

Hon. Mr. Tidman: I do not have the total figures with respect to all the municipal contributions.

Dr. MacKinnon: It is between \$2 million and \$3 million; it would not be more than \$3 million.

Senator Sparrow: Do you have the figures for the amount spent on your department in the years 1965 and 1966? I have the 1967 and 1968 figure as \$19,300,000, but I would like to go back to the previous two years.

Hon. Mr. Tidman: This is an approximate figure, Mr. Chairman, but in the year 1959-60 the provincial expenditure in the field of welfare would have been approximately \$10 million.

Senator Sparrow: That is the 1959-60 figure?

Hon. Mr. Tidman: Yes.

Senator Sparrow: I was asking about 1965-66.

Hon. Mr. Tidman: Yes, I realize you were.

Senator Sparrow: You have not got those figures?

Hon. Mr. Tidman: I have not.

Senator Sparrow: When the Canada Pension Plan came into effect, how did that affect your provincial budget on welfare?

The Chairman: The Canada Pension Plan or the Canada Assistance Plan?

Senator Sparrow: The Canada Assistance Plan.

Hon. Mr. Tidman: We have had increases. We certainly have not decreased our provincial expenditure under the Canada Assistance Plan. What it in fact meant was that we could expand our welfare services with the Canada Assistance Plan.

Senator Sparrow: You never experienced in the last several years a decrease in the provincial budget?

Hon. Mr. Tidman: Certainly not. Far from it.

Senator Sparrow: That is quite a jump in the figures, 1967-68 to 1970-71. It is over 60 per cent, is it not?

Hon. Mr. Tidman: Yes.

Senator Sparrow: That is a fair increase. That would be on such things as increasing the maximum from \$150 to \$175?

Hon. Mr. Tidman: That is right, and programs for family and child welfare and aids for the disabled, programs for severely retarded children, and of course opening the area of social development in the province. The department that Mr. MacKenzie heads is only three years old, I believe.

Senator Sparrow: If you projected your planning into, say, the next four or five years, as a percentage would you foresee a 60 per cent increase in the next four years?

Hon. Mr. Tidman: I would not like to say that we would foresee that large an increase in the next four years, but there certainly will be increases, depending on what the economic conditions are in those four years. There has been no decrease. To answer your question, I could not foresee an increase of that magnitude over the next four years.

Senator Sparrow: Can you give us an estimate of the needs of your province for, say, this year in that budget of \$32 million, the increase for even this year that would give your province what you consider an adequate social service?

Hon. Mr. Tidman: If we did two things in the social assistance field, if we removed the ceiling completely and brought up the benefit levels in line with today's costs, we feel this would cost us in excess of \$5 million, to do those two things.

Senator Sparrow: When you say "in excess", you mean between \$5 million and \$6 million?

Hon. Mr. Tidman: Between \$5 million and \$6 million.

Senator Sparrow: Half of which would come from the federal Government?

Hon. Mr. Tidman: Yes.

Senator Sparrow: Would you think an initial \$2½ million—speaking approximately now—of the provincial budget would give your people adequate services at this time?

Hon. Mr. Tidman: It would give adequate benefit levels of assistance, yes.

Senator Sparrow: Relating it to need?

Hon. Mr. Tidman: Yes.

Senator Sparrow: That does not affect education, housing and that type of thing at all?

Hon. Mr. Tidman: No, certainly not.

Senator Sparrow: Have you any estimates of those requirements?

Hon. Mr. Tidman: No, I would not like to make a guess, although Dr. MacKinnon or Mr. MacKenzie might be able to say something on that.

Dr. MacKinnon: I am afraid it would be a "guesstimate" and not worth very much. There are other areas of services besides this that are perhaps small in terms of financial cost, such as family and child welfare services, where the pay-off is relatively large and the investment relatively small, or should be and could be. Certainly in the area of services for rehabilitation and family and child welfare alone this, too, would be a "guesstimate". Certainly somewhere between \$500,000 and \$1 million could be very easily ploughed into our structure and the maximum returns got from it; not diminishing returns but maximum returns.

Senator Sparrow: That would be in relation to a direct needs program and the figure of \$5 million to \$6 million. You are talking for your province of about \$5 per capita additional cost in those services. I am trying to relate it across Canada, the initial cost that may be involved.

Dr. MacKinnon: There is one other factor that has been lost sight of. The figure of 90 per cent was

quoted. Nova Scotia has been—I hesitate to use the word "parsimonious"—but we have been very careful with those who are getting assistance, and this may account for the 90 per cent figure, the accuracy of what the minister stated about the 90 per cent figure. We have been very careful and parsimonious about those to whom we give assistance. There are many, many people in Nova Scotia who are not getting assistance, but who in the other provinces would get assistance, although I cannot prove that.

The Chairman: No, you do not have to prove it. You can say that categorically, you do not have to prove it. We have been around and we know. What you are saying, in effect, is that there are many people in Nova Scotia who should be receiving assistance but are not receiving assistance because you cannot afford to give that assistance?

Dr. MacKinnon: That is correct, sir.

The Chairman: It is as simple as that. We know that, and that is one of the things we have to correct, and correct quickly.

Senator Sparrow: Those people are included in the figures we have been discussing in the last few minutes?

Dr. MacKinnon: No. I do not think we have included them in the calculation the minister has given you, which is based on things as they are.

Hon. Mr. Tidman: When I said 90 per cent, that is the present case load. Certainly that is a big factor. With that 10 per cent it would be much greater, if we were doing the things we would like to do for people who are not getting that assistance.

Dr. MacKinnon: The \$5 million or \$6 million projection is based on things as they are, not on things as we would like them to be. In terms of the case load, that is hypothetical at this point really, but we know that it should be there.

Mr. MacKenzie: The \$5 million or \$6 million is based on actual case load figures now and what it will cost simply to bring them up to current standards of living with the present case load; that is, remove our provincial ceiling and provide adequate assistance at the municipal level according to 1970 standards. It does not include new cases coming on as a result of increased ceilings. That is just public assistance. Child welfare would need another \$5 million also, so you are

talking about \$10 million without the increasing case load due to increased ceilings. You are not talking about housing, other than in an indirect way by helping people to pay for housing.

Hon. Mr. Tidman: Which is an unknown and could certainly send that figure spiralling because, as we have mentioned, there are a lot of people who are not receiving assistance, whom we cannot afford to provide assistance for. That figure of between \$5 million and \$6 million could very well go to \$7 million or \$8 million, or in excess of that if you take into consideration the additional case load we would have.

Senator Sparrow: What people should be receiving assistance—and I am not saying increased amounts—but are not receiving assistance?

Hon. Mr. Tidman: For instance, there are people who by virtue of the income they are earning there is no budget deficit, therefore we have no real record of them. They do not qualify for assistance.

Senator Sparrow: The working poor?

Hon. Mr. Tidman: Yes.

The Chairman: It is interesting to note that in some of the memorandum which was provided for members of the committee that our figure on adequacy was \$5,350,000 as against their \$5 million. We were not such bad guessers.

Hon. Mr. Tidman: Our guessing was more in line with that figure.

Senator Sparrow: What is the maximum work week?

Hon. Mr. Tidman: The maximum work week is 48 hours.

Senator Sparrow: Is that a nine or eight hour day?

The Chairman: Six days, eight hours.

Senator Sparrow: With overtime after eight hours?

The Chairman: It is my turn to ask a few questions. Arising from the questions that have been raised, Mr. Minister. Assuming for a moment that we lived by the Constitution as it is with income from the federal Government, services from the provincial Government, and method of delivery by the Canada Assistance Act, what would be your view?

Hon. Mr. Tidman: You mean as to whether we could stay with that type of system?

The Chairman: Yes.

Hon. Mr. Tidman: This is exactly what we are saying, Mr. Chairman. It is a question of improving the present system and that of course includes the Canada Assistance Act rather than getting into a completely new field which may be simply another program and added to the Canada Assistance Act.

The Chairman: Our thinking is that the income should come from the federal Government, the services should come from the provincial Government and the method of delivering the services should be under the Canada Assistance Act. We feel that that is a good approach. Do you agree with that?

Hon. Mr. Tidman: Yes.

The Chairman: We are also thinking in these terms: a guaranteed income or maintenance income will not do away with the Canada Pension Act, Unemployment Assistance Act and short term employees needs. What is your thinking in that regard?

Hon. Mr. Tidman: I agree with you.

The Chairman: That is fine. Let us go on a little further. Under the Canada Assistance Act, Mr. Minister, there is a legal right to meet a need as I read it and I am sure as you read it, because you are a lawyer.

Suppose a person took you to court tomorrow and said that his need is \$300 and can prove this to you, what would be your position under those circumstances?

Hon. Mr. Tidman: The only argument, Mr. Chairman, you would have is whether you are meeting the need with the resources you have available.

The Chairman: The act says nothing about resources available. There is nothing in the act that says resources available it says need. If you have not had time to look into this aspect, we understand.

You had Dr. Willard's presentation as to what a family of four in Montreal and a family of four in Toronto would require. He states that the Toronto family of four needs up to \$4,861 and that the equivalent in Montreal would need \$3,297. If you were pulled into court on some such a case, and there will be such cases like this in Canada some place soon,

because it is long overdue. Your defence would be that we cannot afford it, not that you say it is adequate. You have already said here today that it is not adequate.

Hon. Mr. Tidman: That is your example, not mine. That would be one of the arguments and then of course under the Canada Assistance Act each province defines need.

The Chairman: Do you have a right to define need? Your definition of need is not one that is written out. Your definition is left to the welfare supervisors. I do not think the deputy minister lays out a definition for need.

Dr. MacKinnon: The regulations under the Nova Scotia Act define need in terms of a budget for one, two, three or four people and the regulations again superimpose this feeling. I am not a lawyer but I believe that is a definition of need within our laws.

The Chairman: This is the thing that is troubling me. I live in the Province of Ontario and Mr. Minister, you live in the Province of Nova Scotia. Let us assume for the moment that we are both receiving the same salary and we have the same size family. You pay taxes and I pay taxes to the federal Government. We are talking about federal taxes on this basis. The money which you pay in the way of taxes is used in part to provide for the people in my province with greater amounts spent on food, clothing and shelter and basic needs than your own people in your own province. How do we reconcile that?

Hon. Mr. Tidman: Are you saying you have people in your province who are helping to provide levels of assistance for people in my province as well?

The Chairman: No, I am saying that you are doing the providing. I am providing assistance in my province. You are paying the same taxes which I am paying. You are providing your people with less and my province provides more from your money. How do we justify that?

Hon. Mr. Tidman: This of course is when we are talking about a program under the Canada Assistance Plan. It is interesting to hear you say that. I have always heard the argument in reverse rather than the way you have put it.

The Chairman: You can put it either way.

Senator Sparrow: Is not that made up by equalization payments as such, although I realize that of the tax dollar paid in Nova Scotia more goes to the welfare recipient in Montreal or Ontario, because the rates are higher and 50 per cent of that rate is paid by the federal Government. Is that what you are saying, Mr. Chairman?

The Chairman: Yes, but the deputy minister, speaking a few moments ago, said that when they fixed these sums of money at the time on a 50-50 basis, they did not mention equalization at all and said it was made up in some other way. That is what is troubling me and should be troubling all of us. What I am trying to get at, and what has been bothering me ever since we started this inquiry, and what I cannot for the world of me understand, is how a man in any part of Canada can receive from the Government as a matter of right something for basic needs, less than another man in another part of Canada, once the needs are established. That is the point I am making. If the need is \$300, why should they be in a position of saying we cannot meet the needs, we have not the facilities, when the Government says it is the need—the federal Government, who are responsible for it? That is my whole concern.

Senator Sparrow: Is there any basis of argument, then, in your brief, based on this thinking that the Atlantic Provinces should have more than 50 per cent?

Hon. Mr. Tidman: This is exactly the point in our recommendation No. 2, contained in our brief, and certainly is the essence of the brief we presented to Mr. Munro on Friday. It was this, that there should be a formula that would take into consideration the ability of all the provinces to pay and to provide these services and if in fact provinces do not have the same ability, as great ability as other provinces, then there should be a compensating factor, there should be a change in the formula, and there should be more than the 50-50 cost sharing arrangement for those provinces. This is exactly the point that we have in mind in recommendation No. 2.

Senator Sparrow: We should not be discussing this amongst ourselves here, Mr. Chairman, but is this what you are getting at?

The Chairman: Exactly, exactly. It is something going through my mind that we will have to consider. This is why I had some difficulty. What Senator Carter was saying is that if we provide a guaranteed income

for people across this country—when I talk about guaranteed income, I am talking about an adequate guaranteed income, in the light of what the Canada Council is talking about—if we provide that for everyone in the country, no matter where they live, so long as they qualify in residence and citizenship or whatever other qualifications there may be, how could a poor province conceivably have any objection? That is difficult for me to understand.

Hon. Mr. Tidman: We are still Canadians, senator. We feel that there are many problems with the plan, and we feel that, in the present system, things could be done to attack the problems that you are enunciating right now. We could do them under the present system, without a guaranteed income.

The Chairman: When you talk about a system without the guaranteed income, you are talking about the demogrant, you are talking about increasing family allowances, increasing old age security. When you increase family allowances, you make no provision for the single man or the man with little or no family, and he gets no benefit when you increase that allowance. When you talk about old age security, you have to provide it much beyond the present scope, to make it meaningful.

There have been two studies made in this country, one by the Conservative party and one by the National Democratic Party. Both are a matter of record and I am sure you have seen them, and both of them have endorsed it and say this is the way of the future.

Mr. MacKenzie: I wonder if I might interject something here. I think there is a little bit of confusion. We are not averse to guaranteeing an adequate income to our population. What we are saying is that there is already an instrument set up in the Canada Assistance Plan and that this instrument can be used to guarantee an adequate income and let us not get into something that really has not been tested, like the negative tax approach, or the Theobald approach or the demogrant. Let us leave those aside. We have a system and there is a mechanism within that system to guarantee an adequate income to all Canadians. Let us use this.

Referring back to a comment you made earlier, in regard to equalization grants, my understanding of equalization grants is that they attempt to provide a uniform level across the country, trying to level off the country. What we are saying is that in the Atlantic Provinces a levelling off is not enough. We have extraordinary needs and therefore we have to pay

extra dollars. You cannot try to establish an average, because our number of welfare recipients is larger, our dependency rate is larger, and therefore if you try to establish just an average, you do not deal with the above-average costs of this type of population.

But, to get back to your point, Mr. Chairman, we are not against guaranteeing an adequate income.

The Chairman: We have to straighten out something. You say you do not like the negative income tax. Is not that exactly what we are doing with the old age security—using the negative income tax principle? Are we or are we not, Mr. MacKenzie?

Mr. MacKenzie: We are, to the extent that we do not guarantee 100 per cent of need.

The Chairman: I do not want to use the term “quibble”, I do not argue with you about it; but are we not practising the negative income tax, and have we not been doing it since 1967, for the old age security people?

Mr. MacKenzie: Yes, we have, but . . .

The Chairman: Let me get beyond that. I said the Conservative party has endorsed it, and the N.D.P. had endorsed it. Are there any other parties in Nova Scotia?

Dr. MacKinnon: No.

The Chairman: Then I have covered them all. Let me get back to this point. In the first place, there are no Friedman followers in this group. We are not thinking of him, his views are not our views at all. Theobald's views are our views in part only. But the American plan you fixed at \$1,600, the American plan, \$1,600, plus \$800 in food, makes \$2,400; and \$720 earnings without deduction, which everyone gets—these three are basic—that is, 1600 plus 800 plus 720. So it starts making sense.

You say that the answer to all the problems is “jobs”, believe me, everyone around this table thinks the same as you do. But for ten years we have had jobs in this country, jobs galore, of every kind. We have had the greatest prosperity we have ever had, and we have had the poverty, the people on poverty have continued to increase in numbers.

Mr. MacKenzie: I am not saying it is “either or”. That is not my point. What I am saying is that it is a combination of employment and an adequate assistance plan based on needs, and we have already the

mechanism in the Canada Assistance Plan to utilize to achieve those ends.

For example, if we say the Canada Assistance Plan is based on needs, why do we not define needs in terms of the Economic Council of Canada poverty level and provide assistance through the Canada Assistance Plan at those levels?

The Chairman: What makes you think that we would or that we would not, or that we are not thinking of that? I indicated to you when we started our discussion what our thinking is. It seems to me elementary that, having the Economic Council report on our hands, that we pay attention to it, because that is how we came into existence as a Committee. Certainly, that has to be considered.

Let me just see if you agree with these figures. I admit they are slightly rough, but they are DBS figures. The Atlantic provinces, with a two million population, have a poverty population of 240,000, or 15 per cent approximately. Quebec with 5.8 million has a poverty population of 30 per cent; Ontario, with 7.1 million, has 25 per cent; the prairies provinces, with 3.3 million, have 20 per cent, and the Pacific coast, with a population of 1.9 million, has 10 per cent.

You don't fair badly in that comparison of DBS figures for 1967. Bearing in mind that these are rough figures which could be out a couple of per cent one way or the other, how do you reconcile the figures I have just given you?

Mr. MacKenzie: Are those figures uniform across the country? Are they standard?

Hon. Mr. Tidman: Are those figures giving a standard of poverty as determined by the Economic Council?

The Chairman: It is the standard they used. The standard came from the DBS, you know, and they defined it.

Hon. Mr. Tidman: How did they define it and was it uniform?

The Chairman: I gather the figures are uniform, yes. I bring these to your attention not to say that you are rich—I wouldn't suggest that—but to see how you reconcile them.

Senator Urquhart: I should like to direct the attention of the witnesses to appendix B, Table 4, which

comes in line with an argument Dr. MacKinnon posed about five minutes ago. This table shows the number of welfare cases by province. In 1960 Nova Scotia had 12,554 cases. In 1968 they had 12,652 cases. They pretty well held the line in an eight-year period.

Ontario went up 50 per cent from 78,954 cases in 1960 to 122,842 in 1968. New Brunswick went up from 10,513 in 1960 to 15,469 in 1968.

Now those two provinces went up 50 per cent in welfare payments whereas Nova Scotia held the line. What is the reason for that?

Dr. MacKinnon: Why has it held the line? There are two answers. One answer is that Old Age Assistance has been dropping off. It is true, in fact, that it has been dropping off in all provinces. It is relatively the same. That is one part of it. The second part is the answer I gave a little while ago that I don't think there is any doubt, although I cannot prove it, that we are very frugal and parsimonious in our eligibility approaches, and in my view I don't think there are too many people.

Senator Carter: Then you must be getting more parsimonious every year. If you are not keeping pace with the others you must be getting more parsimonious.

Senator Urquhart: This is not a true comparison at all, then, is it?

Dr. MacKinnon: No, I would not say it is at all accurate.

Mr. MacKenzie: No, it only gives the number of cases but not the reason why the case load is what it is.

Dr. MacKinnon: Such a table is of value only if you go behind the figures and understand where they come from. You have to understand the meaning of the figures. If you take the figures and look at our eligibility provisions and the manner in which we have administered those provisions, then the figures become meaningful. But they are only meaningful in that context.

The Chairman: It is not really the poverty line.

Senator Carter: A little while ago Senator Sparrow asked how much your budget had increased since the Canada Assistance Plan came in. I don't think you gave a precise answer to that question.

Dr. MacKinnon: I cannot give you the figures off the top of my head, but I can tell you that I have personally watched every dollar that we got from the federal Government, and I can give you my personal assurance that, for example, as we gained approximately \$800,000 each year on Old Age Assistance dropping off—because for the past five years, as you know, Old Age Assistance has been dropping off year by year—that \$800,000 was, year by year, ploughed back into improvements in the program. Similarly, under child care institutions, when we received increased sharing from the federal Government that money was ploughed back as well. So since 1967 we have ploughed back every dollar we got from the federal Government, and I would estimate that we have had an increase, apart from that, of somewhere between 6 and 10 per cent at least.

Senator Carter: Before the Canada Assistance Plan came into effect you were spending money on welfare, on child welfare, on unemployment assistance and on various services. But, as you have told us, after the inception of the Canada Assistance Plan, there was sharing. That was part of your bargain. You undertook to take 50 per cent of what you spent on welfare and the federal Government agreed to give a little bonus by sharing the unemployment assistance and these other things. What I should like to know now is your net increase, which is what I thought Senator Sparrow had directed his question to.

Hon. Mr. Tidman: The figures that I gave to Senator Sparrow, and which Dr. MacKinnon is mentioning, are net figures. They are actual provincial expenditures.

Senator Carter: Yes, what I wanted was the actual figures, leaving out the federal share; I wanted what the province spent before the Canada Assistance Plan and what it has spent out of its own funds, apart from the federal Government, after the Canada Assistance Plan came in.

Hon. Mr. Tidman: We don't have those figures, but what we are saying is that the provincial expenditures have not decreased. They have increased every year. There has been no decrease in provincial expenditures because of the Canada Assistance Plan.

Dr. MacKinnon: You see, Mr. Chairman, the old Canada Unemployment Assistance Act was not as broad as the Canada Assistance Plan, and it did not allow many of the things that the Canada Assistance Plan allows; but there was a 50 per cent sharing in assistance costs. So in 1967 when we changed from

the old Canada Unemployment Assistance Act of 1956 to the new Canada Assistance Plan of 1967, so far as Nova Scotia was concerned the change was not all that great, because there had already been a 50 per cent sharing under the old act and there was still a 50 per cent sharing under the new act. The things the new act permitted us to do in 1967, which we had not been able to do before under the old Canada Unemployment Assistance Act, were largely in the field of services but were not largely in the financial sharing of money payment programs. The Canada Assistance Plan enabled us to move into new services of all kinds and enabled us to get sharing as well.

To answer your question as specifically as I can, we maintained the level of expenditure that we had had and we ploughed back every new dollar we got from the federal Government and added a new dollar of our own to the tune of between 5 and 10 per cent each year. So, to use your expression, our net expenditure has increased every year. Forgetting federal expenditures, our net provincial expenditure has increased every year by at least 5 to 10 per cent.

Senator Carter: All right. That is what I was getting at. I should now like to clarify an answer you gave to the Chairman. I think he asked you what your position was with respect to the federal Government's providing income maintenance and the provincial government's providing services. Are you in full agreement with that?

Hon. Mr. Tidman: Yes. That was the answer I gave.

Senator Carter: And if we had a guaranteed annual income then, and there still was a need for services, the province would take care of 100 per cent of the services?

Hon. Mr. Tidman: The answer to some degree would depend on the question we raised, the basic question in respect to the guaranteed annual income. What would the extent of the supplementation be? I have not heard an answer to that. I suppose at this date it is impossible to know what the answer would be, but if you had a guaranteed annual income, and we have raised this question over and over again in the first part of our brief, then what would the extent of the supplementation be? If you are saying the province would continue to bear at least 50 per cent of that supplementation, then the answer depends on how many dollars would be involved. If we were still stuck with a large amount of supplementation, then the answer is evident.

Senator Carter: I would like now to clarify some of your recommendations. In your recommendation at the bottom of page 15, you say:

We recommend that the Income Tax Act be amended to increase the personal exemption of mentally and physically disabled persons so that continuing incentive may be provided for their employment.

I cannot see how that would provide an incentive. If a disabled person were given a greater exemption, how would that be an incentive to have him employed?

Hon. Mr. Tidman: Of course the main incentive would be that every dollar they earned they could keep up to a certain level without paying tax.

Senator Carter: Yes, they would be better off as anybody else would be if they had greater exemptions, but how would that put them in a better position to get the jobs? How would they become more employable?

Dr. MacKinnon: They would become more employable per se.

Senator Carter: You mean it would be a greater incentive for themselves directly or for people to employ them. That is the point that is bothering me.

Hon. Mr. Tidman: It would be an incentive for them directly, but in developing that argument perhaps Dr. MacKinnon has something to add.

Dr. MacKinnon: Let us take the example of a person confined to a wheelchair or a person who is blind—and I am taking extreme cases here to make the point—then such a person goes out into the labour market under extreme difficulties. So, what we are saying is that if we believe that it is desirable to have them in the labour market, and we are postulating that it is, although it may be arguable or debatable, then it seems to us that such a person would need a little more incentive than you or I would need to go out and compete. In the first place, they have more expenses. For example, we have a wheelchair case who has to pay for a taxi to get to work each morning and to get home each evening.

Senator Carter: I am not arguing against greater incentives, but what I cannot see is how it would make it easier for them to get employment.

Dr. MacKinnon: Well, the man in our office who has to use a wheelchair has roughly \$6,500 a year as a clerk. Now if his exemptions were increased by \$500 or \$1,000 a year, or whatever it would be, then that

would be an added incentive for him to fight the battle every morning of getting out into the employment field and working, particularly in view of the fact that these people are frequently on marginal incomes. Say, for example, such a person is on \$4,000 or \$5,000 a year then it is perhaps *comme si, comme ça* whether they are going to get out and fight the battle.

Senator Carter: But I read a different meaning into the recommendation.

Mr. MacKenzie: You see, senator, it would make them more employable to give them this incentive, particularly in a situation where they could not take a job paying \$2,500 or \$3,500 a year because the expenses would be so high, and where it would probably be better for them to go on assistance because they would be better off in the long run. But would it not be still better to increase the exemptions so that they could cover their costs?

Senator Carter: I agree with that, but I was looking at it from the other angle of approach. I was looking at it from the employer's angle because it seems to me that the emphasis here is on the providing of additional incentives for their employment. If you had said it would provide greater initiative for them to go out and get employment, then I would have understood.

Dr. MacKinnon: We apologize for the construction, senator. It is probably a poor construction.

Senator Carter: Now, coming to recommendation 7 on page 18, you say:

We recommend that much greater flexibility and imagination be introduced into the provision of tax incentives and that tax incentives and subsidies be provided to private industry to enlist this sector in a war on poverty so that job opportunities may be created, training opportunities provided, and the skill and expertise of industry fully utilized.

You have not given any examples of what kind of imagination you have in mind or what flexibility you have in mind. We have tried all sorts of things like ARDA and ADA and industrial incentives under the Industries Act. We still have industrial incentives and now we have DREE. So what else do you have in mind?

Hon. Mr. Tidman: What we are saying is if you are going to enlist—and this goes partly to answer the question asked by Senator Fergusson as to how you are going to enlist the resources of industry to do anything—but if you are going to enlist the resources

of industry, you could do so by giving them tax exemptions for programs they are carrying out or other things they are doing which are regarded as being part of the war on poverty. If, for example, they were to provide day-care centres for their working women, the cost of doing so could be a tax exemption.

The Chairman: Possibly like golf club dues.

Senator Carter: Then you talk about the rehabilitation program which was started in 1951 and which you say has become static and you want to revitalize it. In what way?

Hon. Mr. Tidman: We have made some suggestions as to how this could be done. Dr. MacKinnon has been very active in the field of rehabilitation for many years, and I would ask him to comment on this.

Dr. MacKinnon: Well, in 1952 or 1954 the Minister of Labour and the Minister of National Health and Welfare in the federal Government called a national conference in Toronto, I believe, on the subject of rehabilitation. An advisory council was set up on rehabilitation nationally, and a national co-ordinator on rehabilitation was appointed, and provincial co-ordinators were also appointed. For five or six years they had tremendous impetus and a great deal was done. But what we are saying here is that something that had great promise and accomplished many very good things in those early years has somehow or other lost its stimulus. We are not being critical in saying this, we are simply stating what seems to be a fact. It is not being pushed very much. The Vocational Rehabilitation Agreement has been pretty shaky for the past three or four years. We still have it, but it has been on shaky ground.

The only thing that has saved the day is the Canada Assistance Plan. In 1967 it came in, in the Department of National Health and Welfare, and we have been able to do a great many things in the area of rehabilitation through the Canada Assistance Plan. But what we are saying here is that what was started in 1954 or '52, or whatever the year was, was a tremendously good thing, and that one small way of assisting the poverty problem would be for the federal Government to put more eggs into the rehabilitation basket.

Senator Carter: In paragraph (c) of Recommendation No. 8, you sort of hint that there is room for greater co-operation between various provincial departments and federal departments. Is that a correct interpretation of that section? If so, can you give us some examples?

Dr. MacKinnon: We are not stating that in a negative way, and we do not want to imply it is a negative, critical statement. We are saying that both at the provincial and federal-provincial levels the problem of working out solutions for the things we have been talking about here this morning are extremely difficult. It is not possible for a Department of Public Welfare at the provincial level to work in isolation from Manpower, for example, at the federal level. The same is true at the provincial level. It is not possible for a Department of Welfare to work out solutions apart from, say, a Department of Education, which is tremendously involved in the whole question of finding solutions to poverty. With regard to the upgrading of manpower, Departments of Manpower at the provincial level must work in the closest co-operation with the federal department, and more attention will have to be given—and in this respect it is a new ballgame—in the next three years to working out new models of co-operation between federal departments like Manpower, Unemployment Insurance, and so on, and provincial departments like Health, Welfare, Labour and Education, that are in this business at the provincial level, because we are all tied up in it together and if one fellow does not do his job right we are all going to suffer. That is basically the question.

Senator Carter: Supposing the federal Government found \$1 billion it could make available for the war against poverty or an improved welfare system, what would be your preference: a guaranteed annual income, an improved Canada Assistance Plan, or better family allowances?

Hon. Mr. Tidman: I think what we have said is that we would prefer to use the system we have now, and if this money were available then, certainly, we could satisfy the question Senator Croll raised that there should be a uniform definition of "need" that we would very gladly meet.

Senator Carter: But the system we have now has not worked. How are you going to make it work?

Hon. Mr. Tidman: What we are in fact saying is that we do not know whether it will work or not, because we have not had the resources to put into this type of system to develop programs which would attack the problems of poverty and bring up our levels of assistance to an adequate level.

Senator Carter: In a country with a small population like Canada's, with only 20 million people, we are

spending somewhere around \$5 billion or \$6 billion, and probably more, on various forms of welfare, and yet we have 25 per cent of our people below the poverty level. How can you say that system has worked or is working?

Hon. Mr. Tidman: How can you say a guaranteed annual income would work?

Senator Carter: I am not saying it would. I am saying the system we have now does not work.

Hon. Mr. Tidman: Senator Croll mentioned something that has bothered me, and that is that it is quite obvious we are economically pretty well off in this country and have certainly increased the Gross National Product tremendously over recent years, but we still have pockets of poverty. What is happening is that the gap is widening, so there is something wrong. In all urban areas there are pockets of extreme poverty, whether in Halifax, Toronto, Montreal or Vancouver.

Personally, I feel this is a situation that has to be attacked at the level of dealing with people and developing programs and working with people, and you have to de-alienate these people. This involves programs and working with these people, as well as providing things for them.

Senator Carter: But if I understood you correctly, you still attack it with the same old system, is that correct?

Dr. MacKinnon: Certainly, in the field of social development we have just started with programs in our social development division which I think have great promise and have shown results in the short time we have been operating. I would very much like to have unlimited resources to put into that division to expand this work.

Senator Carter: You do not feel there is a more efficient way of attacking the problem than we have been using over the last 20 or 30 years?

Dr. MacKinnon: Yes, this new way, that has not been utilized before, in these programs of social development.

Senator Carter: What, the Canada Assistance Plan? What is the new way?

Dr. MacKinnon: I am talking about social development and actually working with these people.

The Chairman: You say you do not know whether our system of a guaranteed annual income would work. We are the only country in the world today that has a guaranteed annual income for a minority of our people, the Old Age Security. Does anybody suggest it is not working? Never mind its adequacy, that has nothing to do with the question at the moment and we are agreed it is inadequate. Furthermore, have you read Willard's report in which he spends 20 pages of the report telling us they have been working on it and they know how to put it into effect on a larger scale?

Mr. MacKenzie: I think we are sort of getting tied up in semantics. The basic problem of providing adequate income is going to be within the social system we have, and I cannot see much difference between a guaranteed income and the Canada Assistance Plan as originally designed. You are still going to be faced with a problem, which is the very real one of monies. I do not see what your great concern is about the present philosophy of the Canada Assistance Plan.

Senator Carter: I can give you mine, if you want it. The Canada Assistance Plan at the present time allows the provincial governments to set their own priorities, and welfare comes rather low down on the list.

Mr. MacKenzie: But we have already suggested, and have agreed here, that under a revised Canada Assistance Plan the federal Government would be responsible for the provision of an adequate income through the mechanism of the Canada Assistance Plan.

The Chairman: But, Mr. MacKenzie, we started out here by saying that we are going to live with the constitution first; that the income would come from the federal Government, the services from the provincial government, and the method of delivering the services would be by the Canada Assistance Plan.

Mr. MacKenzie: That is it.

The Chairman: On page 10 you say:

We believe there should be a major amendment to the Canada Assistance Plan, permitting the provinces to introduce a program that guarantees a stable income for all of those considered by the province to be in the category of long term recipients of assistance.

You agree with this, but somewhere along the way there is a blank. Somewhere we vary. During our discussion this morning there was some talk with Senator Carter about cost. If you have seen the

preliminary report of the New Jersey experiment you will remember that they said that where under the assistance acts it would cost \$300 per capita, under the guaranteed income act it would cost \$90. There was a very interesting article in this week's *Sunday Times* of New York by a competent journalist. He made the same points all over again that many others have made. Cost is important, but if those people over there are spending millions and millions of dollars in conducting this experiment, which just comes in handy so far as we are concerned—we are looking over their shoulders—do we have to keep saying: "You are wrong here, but you are right there", or can we live by their experiment up to a point?

Mr. MacKenzie: I think we can. This is what we are saying. The New Jersey program, as I understand it, is a three-year one, and it is not completed yet. We are waiting for their final document.

The Chairman: We do not often get people up here as knowledgeable as you three, and this is important. You say it may be on a preliminary basis. I come back to you and say that the only experiment in the western world today is the one taking place in Canada. We are doing it well, and our way is a cheap way of doing it.

Dr. MacKinnon: This is the old age security program?

The Chairman: Yes.

Dr. MacKinnon: Yes, but there is one point in respect of old age security which has to be considered and that is the guaranteed income supplement. The GIS factor is built upon \$75 across the board. I know there is a great variety of views about that program that was introduced in 1952, but my own personal view is that it was an excellent program.

If we did not have that basic minimum and we were starting with a GIS at scratch, then it would be a different ball game.

The Chairman: That is right, but this is the kind of ball game we are in. We are talking about something that is there and that is real. It came in 1953, and we have it now. We all agree that it is inadequate, and we make no bones about it, but that is not most important. The important thing is that we have the benefit of the American experiment working. They are giving us some preliminary reports, and every comment I have seen on it is favourable. The Americans at

the Presidential level and the Congressional level are favourable to adopting it. We have had actual experience in carrying it out in this country, and it has been a good experience. Dr. Willard, the Deputy Minister of National Health and Welfare, devoted a large portion of his brief to saying: "We have administered the groined income. We are experienced. We know how to do it, and it has to be done we are the people to do it." In the light of that, how much more evidence do we really need in order to know what to do.

Dr. MacKinnon: I suppose our position is contained completely in paragraph 17 on page 7, and paragraphs 21 and 24 on page 9. If those questions are answered then the whole question is answered.

In paragraph 17 we say:

The idea and concept is so right that no one who is concerned about poverty and the rationalization of the social welfare system could be against it in principle if it would achieve what on the face of things it would seem to achieve.

That is a very important statement.

Senator Carter: But at the end of paragraph 17 you also say:

Having regard to the information available to us in respect to the guaranteed annual income, we are not convinced that such a program would be practical.

Dr. MacKinnon: That is right. This is a matter of opinion, sir. In paragraph 21 we say:

Of the two choices open to us we would opine that if Canada introduces a guaranteed income it would be at such a minimum level that large segments of the poor would continue to require extensive supplementation through public assistance.

We could be completely wrong. This is purely a matter of opinion. Perhaps it would be at an adequate level, but what we are saying is that we are very fearful that it would be at a minimum level; that Treasury Boards and financial considerations would enter into it and affect it very materially, and we would end up with something that is not socially adequate, but inadequate.

The Chairman: But what is the purpose of the exercise if you end up with an inadequate amount? We would be just fanning the air. If we do not provide an adequate amount then we have just wasted our time, and insulted the people of Canada.

Dr. MacKinnon: Perhaps our whole argument is there.

The Chairman: I will put to you another argument. You have been in social welfare for a great number of years. You have an excellent reputation. I know about you. My association with the subject extend over a period of 40 years, I will ask you: Have we not been devoting ourselves to welfare and creating poverty? Have we not lost sight of poverty?

Dr. MacKinnon: I do not think there is any question about the fact that the assistance programs that we have now—if that is what you mean—are creating poverty, but I think the Minister has answered that by saying that we have been creating it because so far as we are concerned those programs have been woefully inadequate. They have been inadequate in terms of the number of people we serve; they have been inadequate in terms of the amounts we pay to the people we serve; and they have been inadequate in terms of the services we provide.

The Chairman: You could not have said it better, and that is exactly the matter to which we are directing our efforts. If you have a guaranteed income plan that covers everybody and it is adequate then we are attacking poverty and not welfare. That is the name of the game.

Senator Sparrow: The definition of "need" seems to be different in each province. Do the needs vary greatly as between provinces? Provincial ministers meet together occasionally, and I presume they discuss this. In your province there is one area of need which is different, and there you refer to the working poor. Apart from that is there any other area where your definition of "need" is different?

Hon. Mr. Tidman: I do not know whether there is a comparative table here showing the budget levels for the various provinces.

Senator Sparrow: Yes, I have that, but I do not think it is complete in respect of what is paid by individual provinces.

Hon. Mr. Tidman: Need is determined upon the cost of shelter, the cost of food, the cost of clothing, and then in our province we have an additional item of special needs. I think those are the four categories in which there are basic amounts set out. Need includes just four items.

Senator Sparrow: Is there not the other need for which some provinces at least pay? That is personal needs, such as shaving cream.

Hon. Mr. Tidman: It is included under special needs which is a very small amount.

Senator Sparrow: Would the telephone and so on be under special needs?

Hon. Mr. Tidman: Anything would be under special needs, but the amount is low. It would not cover too many special needs.

Mr. MacKenzie: We also must bear in mind that benefit levels, the fact that we establish maximums, are one thing, but what we actually pay is another. The best picture is not seen by considering only benefit levels. The actual payments have to be taken into account when establishing ceilings in connection with 65 municipal units of varying degrees of poverty or affluence.

Dr. MacKinnon: The differences would not be so much on the provincial level. However, they exist in cases of short term need, so-called, at the municipal level, which forms about half of the welfare in Nova Scotia in terms of volume. I am not referring to dollars costs, but about half of it is at the municipal level. That is a very rough approximation.

Although I might be very needy, at town A at the municipal level I just would not be given assistance. This is where I get back to the phrase I use, parsimonious and frugal. There are various descriptions, but that happens to be one way of describing it.

Senator Carter: Are rural needs considered to be different from urban? You have a maximum of \$175. Would the same type of family with the same type of needs in a rural area receive the same assistance as one in an urban area?

Hon. Mr. Tidman: Yes, because it is determined on the cost of shelter, which is the actual amount paid by the recipient. Of course, in an urban area this would be much greater than that in a rural area. Therefore the urban recipient would receive a greater amount because of that factor.

Senator Carter: Does a person who owns and has to maintain his home receive an allowance or is he penalized?

Hon. Mr. Tidman: Not enough. This is under discussion now. It is just in relation to someone who is paying a set amount of rental. I do not think the cost of keeping up his own home is taken into consideration sufficiently.

Senator Sparrow: I gather from your discussion that it is your opinion that the province should handle all the social assistance, rather than spreading it around through municipalities in some cases?

The Chairman: It is a little difficult question from a neighbour next door you know who. You have to be a little careful there. Would you pass that?

Senator Sparrow: No, I do not want to pass it, because we are discussing efficiency.

Hon. Mr. Tidman: Certainly there are some municipal units that do not define need as we would like to see it done. We have a unique situation in Nova Scotia in that there are three levels of government involved in the field of welfare, the federal, provincial and municipal governments.

The province is responsible for long term assistance and the municipal unit for the most part for short term assistance. Some municipal units do not meet needs to the extent that we consider they should. However, they have the same problem as we really, because their ability to pay would be very low in relation to other municipal units. They would have the same argument that we have been making here, that our ability to pay is not as great as other provinces. Therefore, we would like to supplement them more than we do now.

I am not so sure that we would like to take away completely the involvement of the municipal unit, which would mean doing away with municipal units handling social assistance and the province taking it over. They should be involved in the process, as we are at federal-provincial levels.

Senator Sparrow: Could you ever foresee municipal standards of the type to which you refer? We are always concerned with equal standards in each province of Canada with respect to federal participation. Then in turn a province would be worried about equity on a municipal basis. Until you can control it all as a province you will not have that equity. Is that right?

Hon. Mr. Tidman: Yes, but we are working in that direction by other means. Over the last five years tremendous strides have been made in the area of trying to equalize assistance levels in the various municipalities. We still have a way to go, but a start has been made and we have made studies.

Dr. MacKinnon: There are two strong arguments to support the municipal system. I know there are arguments against it and you inferred some of them.

The management of public assistance, not with these long term recipients we are referring to, which is a relatively easy job, but with the short term, hard core group it is a very difficult business, it requires knowledge and management skills of a very high order. I do not think that this is recognized throughout Canada, how difficult, involved and complicated it is and what technical skill it requires to centralize this in a system with the know-how as limited as it is in Canada at the moment. There are people who would argue with me on that, but I still maintain that the management know-how and expertise is very limited in this field. To centralize it in a bureaucracy in a province—perhaps this would be more marked in Ontario than in Nova Scotia which is a smaller province—to centralize it, it seems to me, with the lack of knowledge and expertise, creates all sorts of openings for abuse and public criticism. Basically I guess what I am saying is that I question whether we have reached a degree of sophistication and expertise—there are some others across the country that I put in the same boat—where we can afford to set up a centralized system. The local system is about the only bulwark you have to handle it—local involvement of local councillors, local elected political officials and so on.

Senator Fergusson: The local people do not have as much expertise to handle this problem.

Dr. MacKinnon: They are closer politically.

Senator Fergusson: I know what I am talking about, because I have been the chairman of one of these municipal groups.

Dr. MacKinnon: I think we have to be very conscious of the dichotomy that there is in Canada. The minister referred to it earlier. We talk out of both sides of our mouths. On one side we talk about the worthy poor who should be helped; on the other side we criticize the welfare system, we criticize social workers and the welfare structures; we talk about lazy people who are getting assistance when they should not be getting it and so on. I guess what I am saying is that I question whether we are sophisticated enough yet to centralize the system, that it has to be close to the political structure locally; that certain aspects of it—not all aspects of it, but the short term aspects of it—have to be close to the political system locally if there is to be political acceptance of what we are doing, and political understanding of what we are doing. I know this is a debatable point.

Senator Sparrow: In other words, there should be local participation, either by advisory groups or some other group.

Dr. MacKinnon: This is basically what I am saying, at this stage of lack of sophistication in handling it.

Senator Sparrow: In the Province of Nova Scotia do you have so-called able bodied men on social assistance 12 months of the year?

Hon. Mr. Tidman: I would think we do.

Dr. MacKinnon: Yes, we have; sure we have. But then you get into this 10 per cent. The minister quoted 90 per cent of persons who are unemployable, or in this category of relatively long term recipients. What is the 10 per cent made up of? Undoubtedly it is made up of a number of persons in the category you are talking about, borderline persons, borderline recipients of assistance, who with rehabilitation could get out into the labour market. For instance, there may be a man who had a heavy weight fall on his foot in 1964 or 1965; he gets workmen's compensation for a couple of years then goes back to the job for a month; he lays off; they apply for municipal assistance and get it; he goes back again and is laid off again after two or three months; he cannot manage; yet all that is wrong with him is perhaps some minor damage to his foot; he has lost the will to get back to work, lost the desire to get back into the labour market. This particular man I am thinking of has been getting assistance for the last 18 months. He is right on the borderline, which you define as able to work, 45 years of age, able bodied, grade 10 education, a candidate for rehabilitation, but he has lost the will to get back into the labour market.

Senator Sparrow: Provincially or municipally, say on April 1, a so-called able bodied man can have assistance. Can you make that as a blanket statement?

Dr. MacKinnon: No.

The Chairman: That used to be the rule in some places, but it is no longer.

Senator Sparrow: It is in some places.

The Chairman: Is it?

Senator Sparrow: Yes.

The Chairman: I did not know.

Senator Sparrow: What is the black population in Nova Scotia at the moment?

Hon. Mr. Tidman: Our 1961 census was 11,600, I believe. That is the latest D.B.S. figure available. I would think it is something of the order of 20,000 odd at the present time.

The Chairman: Out of how many?

Hon. Mr. Tidman: Out of 760,000.

Senator Sparrow: You say 20,000. That is about three per cent of the population roughly. On page 56 of the brief, in paragraph 97 you say:

According to official census data, the Black population of Nova Scotia increased from 6,212 in 1971. . .

so that figure must be wrong?

Hon. Mr. Tidman: Yes.

Senator Sparrow: "... to 11,900 in 1961". What is reversed in there?

The Chairman: It should be 1961 and 1971, I suppose.

Hon. Mr. Tidman: No, I think it is 1951 to 1961 actually. If you read further. . .

Senator Sparrow: Now it has increased to roughly 20,000 in the next 10 years. What percentage of your provincial government employees would be blacks using the figure of roughly three per cent as the black population?

Dr. MacKinnon: I think we have seven or eight blacks on our staff. I cannot speak for the civil service generally. We have eight blacks on our staff.

Senator Sparrow: In your department. What percentage would that represent? What is your staff?

Dr. MacKinnon: About 800.

Hon. Mr. Tidman: Six hundred. I think the last count was 601 or 602.

Senator Sparrow: That would be one-half of one per cent in your department. Is any effort being made in your province to encourage the employment of disadvantaged people as such? Is there a program to

employ these people in government services and so on, or recommendations for contractors with the government to employ certain underprivileged people or under-employed people? Is there any such effort?

Hon. Mr. Tidman: There have been various programs in the past, some summer programs, to encourage the employment of black people. Perhaps Dr. MacKinnon could give the specifics of some of these programs. I am thinking of the last summer program in particular.

Dr. MacKinnon: There have been two things. There has been a summer program, which we have sponsored for the past three years, I guess, in co-operation with the black community, the Nova Scotia Association for Improving the Condition of Coloured People, and latterly the Black United Front, the BUF, in which the City of Halifax and the province have jointly set up a program for the employment of black students during the summer months. This has been quite successful in going out and beating the bushes with industry for jobs, and also getting opportunities for black students in high school and college.

Hon. Mr. Tidman: In addition—although this is not in the labour field—we have in the province an education fund for negroes, which provides incentive for negroes to receive education. The grants are based on achievement within the class, and there are lower grants available for simply going from one grade to another grade. This is something that has grown. The cost of this program has grown proportionately very greatly over the last few years.

Dr. MacKinnon: When we started it cost \$25,000, and we spent \$125,000 on it last year. It has grown from 1964, when we set it up, from \$25,000 to approximately \$125,000. I should also mention here in this context that in 1961 we set up an interdepartmental committee concerned primarily with the problems of blacks. There are other disadvantaged groups, such as Indians, and so on; the blacks are not the only disadvantaged group. However, that was the focal point of an interdepartmental committee, which consisted of seven or eight deputy ministers. The premier sat on it, and I may say attended regularly from 1961 right up until 1964. From 1961 up to 1964 the Minister of Labour and the Minister of Welfare and the Premier sat on the interdepartmental committee. We met six, seven or eight times a year, concerning ourselves solely with the problems you have raised about the employment of blacks and the recruiting of blacks to the Government service. The education fund that the minister referred to was a brain child of that

interdepartmental committee and there were a number of things that came out of that committee.

In our own department we bent over backwards to do all kinds of things in terms of recruiting blacks into the Government service. In the City of Halifax they have done the same thing. The present mayor has been very concerned in the public service about recruiting blacks and creating employment opportunities for blacks. They are very conscious of the problem.

Senator Sparrow: That is the program Dr. Oliver was involved in?

Dr. MacKinnon: Yes, the educational funds for negroes.

Senator Inman: In Appendix B, page 6, in looking at your figures I see that in the year 1966-67 Prince Edward Island had a total of 14,980 cases. Our population is less than 110,000.

The Chairman: It could have been a typographical error.

Senator Inman: I was wondering if it was a computer mistake.

Senator Carter: I have two short questions. The first one is clarification of the reply you gave to Senator Sparrow. Did I understand you to say that each municipality has its own definition of needs?

Hon. Mr. Tidman: Yes, to a degree. There is a basic level which is set by the province and most municipal units are above that.

Senator Carter: They have no uniformity even within the Province of Nova Scotia.

Hon. Mr. Tidman: It is true as it relates to short term assistance.

Senator Carter: Is it fair to say that what you call a needs test, as applied by the Province of Nova Scotia, is really the old means test in another form?

Hon. Mr. Tidman: I am not sure that I understand what you mean by the term "old means test".

Senator Carter: The old means test was made up the same way you enumerated.

Dr. MacKinnon: There may be a similarity between the two.

Senator Carter: What is the difference? I am not talking about the need, but how you assess the need. Do you assess the need now the same way as when you had a means test? You use a different form, but does it amount to the same thing?

Dr. MacKinnon: It may amount to the same thing on your short term need, yes. When I go into Town X and apply for assistance, the director or manager in charge may say that under the needs test I might be eligible, and qualify for \$20, \$30, \$40 or \$60 of assistance. They would then say that if I was able to go to work they would not pay assistance. In that sense he is applying a test of means. It is a subjective judgment which he is applying. The individuals only resource is an appeal. He has got that under our law.

Senator Carter: How many appeals have you had?

Dr. MacKinnon: We have had, since the first of March, about 50 requests for appeals from the province and a similar amount at the municipal level. They are increasing because we have opened up the appeals section.

When the manager says that I am not eligible and that he will not pay assistance I suspect he is applying a test of means. He may say that I have too much of this, or that, or something else. If he did pay the assistance, he would pay it, not under a test of means, but a test of needs. This is a formula set out in our act and regulations.

Senator Carter: Doesn't he determine the amount he is going to get in the same way?

Dr. MacKinnon: No. Once you get down to the determination of the amount there is an objective measurement for it. You must comply with the regulations.

The Chairman: What we have had before us is this: We find time and again that people are coming before us and saying, sure we have changed the word "need". It means to need, but the same people who have applied the means test are applying the needs test in the very same way.

Dr. MacKinnon: They apply it, Mr. Chairman, in the sense that when the person comes in and applies for assistance they say, "I do not think you are eligible or I do not think you should get assistance."

The Chairman: The act has changed, but I am saying that the people have not changed who are administering the act.

Senator Carter: How would you change the Canada Assistance Act to avoid that? You are talking about improving the Canada Assistance Act.

Hon. Mr. Tidman: I think we answered that earlier. If the resources were available the levels of assistance could be raised to meet the actual need.

The Chairman: Senator Carter, in answer to your question, your very vital question disappears with the guaranteed income, doesn't it?

Senator Carter: That is the point of it. The point of my question was that these people are saying no. We choose this Canada Assistance Act and we give our money under it. How would you get rid of this problem and the lack of uniformity even within one municipality and another? How would you change the act to get rid of these problems?

Hon. Mr. Tidman: You would change the amount of revenue that would be available for assistance. I am sure that we would very much like to raise our benefit levels, if we are able to do it, if we had the resources to do it.

Senator Carter: I am afraid I am not convinced by that particular answer.

The Chairman: Are you doing anything in subsidizing to the working poor?

Hon. Mr. Tidman: Yes.

The Chairman: To any great extent?

Mr. MacKenzie: Not to any great extent. But I would like to reply to this. If you establish the programs that we are envisaging here, through the Canada Assistance Plan, with the federal Government providing the moneys, then you would utilize the Canada Assistance Plan mechanism, you would take the Economic Council of Canada standards, and provide it directly from the federal level.

The Chairman: It does not let you out. You are still providing services.

Mr. MacKenzie: That is right.

The Chairman: That was the formula we were talking about. Are there any other questions? If not, Mr. Minister, it has been a pleasure to have you here before us. We know you are concerned with a very

difficult problem. You made a fine impression on us, as a man devoted and knowledgeable on this problem. You have added to our knowledge. Moreover, you have brought along with you two very eminent persons in this field of work. Dr. MacKinnon is long known and highly esteemed in this field of work. Mr. MacKenzie is new to me but not so new to some people who know his background. You have given us a better understanding of your problem and perhaps we have got a better understanding of our problem. All in all, it has been a very useful morning to us and we hope that in the end it will mean something worthwhile to the people of Canada, and the Province of Nova Scotia and to all of us.

Hon. Mr. Tidman: Thank you, Mr. Chairman. May I say to you and to the members of the committee that we are very pleased to have come here and we appreciate the questions you have had to ask.

As I am sure you realize we both have the same ends in mind, in spite of the fact that we were having a lot

of argument, from which one might think we were not trying to do the same job at all.

We certainly are very much concerned, as I am sure you know, with this problem.

As far as guaranteed income is concerned, we would like very much to be convinced that these problems we have raised are not problems that can be overcome. For example, Mr. Chairman, you mentioned old age security, which does not answer the question of the inflationary process and the question of incentive, which we feel should be answered before launching such a scheme, but we do in fact believe in the principle. We hope that you can solve all these questions we have raised and we thank you very much for your attention to us this morning.

The Chairman: Thank you, Mr. Minister.

Whereupon the committee adjourned.

APPENDIX "A"

A Brief

Presented to

The Special Senate Committee on Poverty

by

The Honourable Gordon A. Tidman, Minister

Department of Public Welfare

Province of Nova Scotia

May 5, 1970

A Brief

To

The Special Senate Committee on Poverty

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Munro-May 1, 1970.

THE SENATE
CANADA

Special Senate Committee On Poverty

SENATOR DAVID A. CROLL (ONT.), CHAIRMAN
SENATOR EDGAR E. FOURNIER (N.B.),
DEPUTY CHAIRMAN
DIRECTOR: FREDERICK J. JOYCE

December 17, 1969.

MINISTER OF PUBLIC WELFARE
NOVA SCOTIA

January 7, 1970

Senator David A. Croll
Chairman
Special Senate Committee on Poverty
140 Wellington Street
Ottawa 4, Ontario.

Dear Senator Croll:

Thank you very much for your invitation to present a brief to your Special Committee.

I will be most pleased to present a brief, and would be prepared to do so on the 5th day of May at a time convenient to your Committee.

I would ask that you kindly confirm the date, and also kindly suggest a time.

Yours sincerely

Gordon A. Tidman

The Honourable Gordon Tidman,
Minister of Public Welfare,
P.O. Box 696,
HALIFAX, Nova Scotia.

My dear Minister:

I write to invite you to make a presentation, on behalf of your province, to the Special Senate Committee on Poverty.

The Committee has set aside the month of May to hear all the provinces. We have also reserved space on Tuesday, Wednesday and Thursday of each week during that month for the hearings.

Poverty in its totality is our area of concern, and we are reaching out for expertise. Moreover there is a cry for action for the poverty-stricken of the land.

The brief is yours to prepare and yours to present. Whatever you feel needs saying should be said. We hope you will speak out on all aspects of poverty.

I am attaching a copy of the guide for submission of briefs which contains some useful information and may be of interest to you.

I anticipate your acceptance with the hope that you will suggest a date convenient to yourself.

Yours sincerely,
David A. Croll.

encl.

Abstract of Recommendations

1. We recommend that the Canada Assistance Plan be amended to provide a more stable and adequate income for long term recipients of social assistance.

2. We recommend that increased federal sharing beyond 50 per cent be provided to the Atlantic Provinces under the Canada Assistance Plan and that this increased cost sharing be related to the special social welfare needs of each province.

3. We recommend that a massive imaginative and creative effort be made in the field of housing to encourage low cost housing, public housing and indeed all types of housing for the poor and marginal income groups.

4. We recommend that the Federal Government, through the Central Mortgage and Housing Corporation, pay a subsidy for a five year period to provide homes for families earning \$5,000 or less, and based upon family need.

5. We recommend that the income tax act be amended to increase the personal exemption of mentally and physically disabled persons so that continuing incentive may be provided for their employment.

6. We recommend that development programs for areas such as the Atlantic Provinces place as much emphasis on human resources as on the physical side. The Federal Government should involve industry, labour, consumers of services, the Universities and Government at all levels in a program of regional development to upgrade education, improve housing, create employment opportunities and prevent poverty at its source.

7. We recommend that much greater flexibility and imagination be introduced into the provision of tax incentives and that tax incentives and subsidies be provided to private industry to enlist this sector in a war on poverty so that job opportunities may be created, training opportunities provided, and the skill and expertise of industry fully utilized.

8. We recommend that the Federal Government revitalize the rehabilitation program it started in 1951, which is now almost static, and that through increased Federal sharing from 50 to at least 75 per cent and other similar devices:

(a) Additional assistance be provided for sheltered workshops and activity centres for the disabled and handicapped;

(b) Additional grants and resources be made available to rehabilitation centres;

(c) New models of federal-provincial cooperation and coordination be encouraged between the departments of Manpower and Immigration, National Health and Welfare, and provincial departments of Public Welfare and Public Health so that greater impetus may be given to job training, upgrading, counselling, and placement of marginal workers, under-developed minority groups, and recipients of assistance.

(d) Day care programs, head start activities and Homemaker Services receive increased federal assistance and encouragement.

9. We recommend the development of a social insurance program to provide for loss of income due to sickness and disability, coordinated if possible with the unemployment insurance program and earnings related.

10. We recommend that the Federal Government Act immediately on the recommendation contained in the fifth annual review of the Economic Council of Canada and substantially strengthen the Social Science Research capabilities in Canada; and we further recommend that special attention be given to the practical application of research knowledge and techniques to the social problems confronting us.

11. We recommend that a Social Science Council of Canada be created with the highest level of representation from the Social Sciences and from those involved in the practical application of the Social Sciences to Social Welfare Programming and Policy Making; and we further recommend that this Council be the counterpart of the Economic Council of Canada and that these two bodies make continuing recommendations regarding the elimination of poverty in Canada.

12. We recommend the establishment of a select representative body advisory to the Minister of National Health and Welfare composed of representatives from the fields of finance, business, industry, labour, the professions, the media, the universities and government at all levels to consider the problem of poverty in Canada and to make recommendations how poverty may be eradicated.

Mr. Chairman
Honourable Senators—

Introduction

13. We wish to express our appreciation for this opportunity of presenting our submission to your Committee and thus stating our views in respect to the large number of families throughout Canada and particularly in the Province of Nova Scotia, who are living in poverty. We commend you, Mr. Chairman, the members of your Committee, and the Senate for your immediate response to the suggestion of the Economic Council of Canada, in its Fifth Annual Review¹, that the Senate "might consider the advisability of creating a committee to enquire into the problem of poverty in Canada".
14. In the summer of 1969, the Dalhousie Institute of Public Affairs, with financial assistance from our Department, prepared a brief which was submitted to the Senate Committee on Poverty in Halifax in November of that year. A large portion of the Dalhousie Brief was concerned with the nature and extent of poverty in Nova Scotia. It

was understood with Dalhousie University from the beginning that this would form the background material for our presentation. Accordingly, we have included in Appendix "A" the profile material presented in the Dalhousie Brief. We have been careful to exclude all the specific recommendations which were contained in that Brief.

15. Your committee has been holding meetings for several months and we have much sympathy for the fact that you may have to listen to a repetition of what has been said many times before. However, the ideas we present here reflect our specific problems and concerns and in that respect they are unique.

The Guaranteed Annual Income

16. There are many criticisms of the social welfare program in Canada. The system is said to be confusing, duplicative and irrational and one of the arguments advanced to support a universal guaranteed income is that it will simplify this complicated system. Would we, for example, succeed in abolishing Family Allowances, universal Old Age Security payments and Public Assistance under the Canada Assistance Plan if we had a guaranteed income? If we have to continue every program we now have and superimpose another general support program, what have we achieved towards rationalization? If the simplification is nominal or minimal, what have we achieved? One of the major problems we face at all levels of government is the danger of a program being inadequate to meet the need for which it was designed. Two hypothetical examples will illustrate this point. Unemployment Insurance payments are not based on need. If they are designed in such a way that an excessively large number of families dependent on Unemployment Insurance have to be supplemented by Public Assistance under the Canada Assistance Plan, then we would state categorically that Unemployment Insurance payments should be increased. If Old Age Security payments become so inadequate in relation to actual need that an excessively large number of recipients have to be supplemented, then it follows that Old Age Security payments should be increased. Can we devise a guaranteed annual income which will truly meet the poverty situation across this Country? Can we individualize a guaranteed income to meet need without massive supplementation under the Canada Assistance Plan?
17. We have examined all the evidence we can find regarding a guaranteed annual income. The idea and concept is so right that no one who is concerned about poverty and the rationalization of the social welfare system could be against it in

¹Economic Council of Canada, *Fifth Annual Review*, (Queen's Printer and Controller of Stationery, Ottawa — September, 1968), p.140.

principle if it would achieve what on the face of things it would seem to achieve. We believe that direct payments should be made to the poor on the basis of their existing income levels. The "how" of achieving this is quite another matter. Having regard to the information available to us in respect to the guaranteed annual income, we are not convinced such a program would be practical.

18. The mechanism of a guaranteed annual income in its many forms as a possible instrument for combatting poverty has been receiving increased attention during the past ten years. All major political parties in Canada and the United States and many well known sociologists including Theobald and Friedman have been writing extensively on the various forms such a guaranteed annual income might take.
19. Theobald's Plan would eliminate poverty but only at an enormous cost if we were to pay guaranteed incomes to everyone in Canada. We have had some experience with this through universal Old Age Security payments which from 1952 to 1965 were hailed as the method of choice for income maintenance for the aged. In 1965, presumably because of costs, an extension of the universal feature of Old Age Security became unacceptable and the improvements made at that time were effected through the Guaranteed Income Supplement which is basically an income tested method and the Canada Pension Plan which is a Social Insurance method. Similarly, the universal Family Allowance payment which was greeted with enthusiasm in the beginning has now lost much of its significance and obviously there is some disenchantment with it on the part of the Federal Government or the Family Allowance payments would have been brought more in line with the escalating cost of living. It would seem then, if past experience teaches any lesson, that the demogrant system is unacceptable. It should also be noted that persons receiving a guaranteed income may choose not to work though capable of productive work. The whole question of incentive would have to be considered.
20. Friedman relates the guaranteed income to the income tax structure. Thus the system would provide a continuing incentive to work and earn. Unfortunately this plan poses two dilemmas. If we establish a guaranteed income at the American level of \$1600 the payment would be so far below the subsistence level that there would have to be excessive supplementation under the Canada Assistance Plan. We would thus be adding another welfare program and compounding the confusion we now have. The other choice is to establish a guaranteed income at a level of adequacy for an average family of two adults and two or three children. Let us assume this would require a minimum guaranteed income of at least \$4500 per year. If the required incentives were built into such a system the end result would not only upset the economic and wage structure but it is extremely doubtful whether such a program would be acceptable to the federal treasury. Certainly if past experience is any indication, financial considerations weigh so heavily in designing programs of this kind that social needs and demands take second place.
21. Of the two choices open to us we would opine that if Canada introduces a guaranteed income it would be at such a minimum level that large segments of the poor would continue to require extensive supplementation through public assistance. If that should happen, what have we really accomplished in the rationalization of our welfare structure?
22. We find it difficult to envision the introduction of a guaranteed annual income without serious inflationary pressures, especially in vulnerable areas such as housing. Price controls might or might not be beneficial but these are out of the question in a political system which views any kind of price control as abhorrent and impractical.
23. No guaranteed annual income plan devised to date adequately deals with need on the part of many people for immediate short term assistance and the regional differences in the cost of living.
24. We cannot emphasize too strongly that a welfare system or program in which there has to be a very large amount of supplementation cannot be considered effective. It is difficult to visualize a guaranteed income program being made effective in Canada without substantial supplementation from Public Assistance.
25. We suggest that a very close analysis of the results of the New Jersey experiment and other similar programs should be made. Hopefully this would give us some guidelines as to the importance of these issues and what is practical and possible in respect to this type of program.

AMENDMENT TO THE CANADA ASSISTANCE PLAN

COMMENT:

26. We believe there should be a major amendment to the Canada Assistance Plan, permitting the Provinces to introduce a program that guarantees a stable income for all those considered by the Province to be in the category of long term recipients of assistance. This revision would eliminate the needs test as a means of determining assistance payments for this group of recipients.

27. The needs test as a measure of how much assistance to grant is, we suggest, impractical for this group. Generally, the needs test makes provision for three categories of expenditure:

- (a) the maintenance of the individual or family, i.e. food, clothing and personal needs;
- (b) shelter, utilities and housekeeping operations;
- (c) innumerable special needs.

28. These expenses are subject to frequent change. This leads to a well founded feeling of insecurity on the part of the recipient, through now knowing, from one month to another, how much assistance will be received. These changes require a continuing review of eligibility and add to the administrative costs. Thus expenditures are made that could be used to better advantage in increasing assistance rates.

29. The amendment would enable the provinces to pay assistance rates based on the national poverty level (established by the Economic Council of Canada) and the personal income per person for Canada. The national poverty level would be adjusted for each Province by a percentage after comparing the personal income per person in Nova Scotia with the personal income per person for Canada.¹

¹EXAMPLE:

- (a) Personal income per person for Canada — \$3,000.00.
- (b) Personal income per person for Nova Scotia — \$2,500.00, or 83% of the national average.
- (c) Poverty level for family of four as set by the Economic Council of Canada—\$3,200.00 urban \$2,700.00 rural.
- (d) Adjusted poverty level for this family of four in Nova Scotia would be—83% of the national average, i.e. \$2,656.00 urban \$2,231.00 rural.

30. Where the poverty level is based on an average size family, adjustments would be made for smaller or larger families.

31. A formula, simple and readily understood by recipients, would be developed for the calculation of earned income. This would enable recipients to be informed in advance, what effect earned income would have on their assistance.

32. Assistance rates would be reviewed annually, and related to the cost of living.

33. The method of determining eligibility and payments for long term recipients would be simplified, thus reducing administrative costs. This simplification of procedures would aid in maintaining the dignity of the recipient and would create a feeling of security on the part of recipients which has, heretofore, been almost non-existent.

RECOMMENDATION:

34. We recommend that the Canada Assistance Plan be amended to provide a more stable and adequate income for long term recipients of social assistance.

COMMENT:

35. The Atlantic Provinces presented a comprehensive brief on May 1st last to the Honourable John Munro, Minister of National Health and Welfare in respect to these matters. The substance of the argument and the supporting data from that brief are contained in Appendix "B".

36. We are satisfied that the fiscal subsidies provided by the Government of Canada to the Provinces cannot in their present form fully meet the special needs of the Atlantic Provinces for services over and above that required to provide a national average. We have made the point in Appendix "B" that the social and economic problems current in the Atlantic area have created, and are likely to continue to create, conditions which require expenditures on social welfare proportionately far greater than incurred by other Provinces.

RECOMMENDATION:

37. We recommend that increased federal sharing beyond 50 per cent be provided to the Atlantic provinces under the Canada Assistance Plan and that this increased cost sharing be related to the special social welfare needs of each province.

COMMENT:

38. One of the characteristics of poverty is poor housing. The largest group affected by lack of adequate housing is the working poor. In many areas of Canada the costs of housing are such that people who might otherwise get by, find themselves reduced to real poverty. A family of two adults and three children, for example, might get by on \$4500 per year with a rental payment of \$100 per month. If this family is forced to pay \$150 to \$175 per month the result can only be poverty and misery. The poverty induced in urban areas by high cost housing is commonplace and not at all exceptional.
39. We are mindful of the fact that improving housing or providing new housing without other services would be shortsighted. A family living in a shack and moving out of a poverty area to improved housing must be assisted to make the adjustment; for example, by the provision of counselling and homemaking services. A guaranteed income or public assistance program cannot cope with the problem of housing through money payments alone.
40. If we are concerned with developing creative and imaginative approaches to housing for low income groups, we should be making much greater use of the housing industry. There is much unused talent and knowledge available to us in the housing industry which, unfortunately, we are not using.
41. We also wish to emphasize the importance of priorities and we would put housing high on that list. We see no advantage or common sense in the Federal Government establishing a guaranteed income program while housing for the poor continues to be starved by all levels of government because of lack of funds and creative thinking.
42. The 1965 brief on poverty in Nova Scotia stated that 75 per cent of Nova Scotia families earning \$3000 or less owned their own homes. Home ownership in Nova Scotia is a way of life for most of our people. Therefore, in order to eliminate the tragedy of families living in shacks with inadequate heat, light and sleeping accommodation we should be prepared to provide a type of housing in which subsidized home ownership is possible rather than build large public housing developments as we do now.
43. We believe that Central Mortgage and Housing Corporation should become involved in a new program of social housing for Nova Scotia. This

program would provide adequate homes at minimum cost to persons under the \$5000 income level. At the present time, under Section¹ 35(A) and 35(D) and to some extent, depending upon the interpretation, under Section 16 of the National Housing Act, public housing developments can be built. These call for the Federal, Provincial and Municipal Governments to share in the capital costs and to subsidize the subsequent rentals which in most cases in this Province average out at approximately \$100 per unit per month. If this subsidy of \$1200 per year were applied for five years against each low cost home averaging \$8000 to \$10,000 we could very quickly eliminate inferior housing for a large segment of our families. The subsidy might be discontinued after five years. Under such a system families could be integrated into communities where they prefer to live rather than become part of large housing developments that too often strip them of dignity.

RECOMMENDATION:

44. We recommend that a massive imaginative and creative effort be made in the field of housing to encourage low cost housing, public housing and indeed all types of housing for the poor and marginal income groups.

RECOMMENDATION:

45. We recommend that the Federal Government, through Central Mortgage and Housing Corporation, pay a subsidy for a five year period to provide homes for families earning \$5000 or less, and based on family need.

COMMENT:

46. Mentally and physically disabled persons are in a very vulnerable position economically. In many cases they must fight an uphill battle to regain or maintain their position in the labour market. Their living and employment costs are high. Their income in many cases is minimal. There should be continuing incentives for this group to remain in the labour market whether fully or partially employed.

RECOMMENDATION:

47. We recommend that the Income Tax Act be amended to increase the personal exemption of mentally and physically disabled persons so that

¹Department of Public Welfare. Papers prepared for Conference on Poverty: *Housing and Poverty Section*. (D.P.W., Halifax, 1965), p.11

continuing incentive may be provided for their employment.

DEVELOPMENT PROGRAMS

COMMENT:

48. The Dalhousie profile material in Appendix A makes very extensive reference to the Black population of Nova Scotia. Reference is also made in the profile to those communities, sometimes in isolated areas and sometimes on the edge of the towns and cities, in which poverty, alienation, poor housing and unemployment are the common lot. In most areas the problem is of long standing. This type of insular poverty has been repeated for generations. It is aggravated because too many of the brightest, the most creative and the most energetic persons leave these communities to seek their livelihood elsewhere. Because of this skimming process, there are only a few left with a capacity for leadership. What is the answer?
49. Our Department undertook a modest program of community development in 1964. Most of our efforts have been in Black communities but the program has by no means been so confined. We have achieved some success in generating self-help within these communities. Housing has been improved and the employment situation looks brighter.
50. There are problems. A Department of Public Welfare cannot work by itself. It must relate to Housing and Education and these programs are developed by other Departments. It must be concerned with Manpower problems which are the responsibility of another level of government. It is greatly dependent on economic development. We all tend to be compartmentalized in our thinking when we view poverty against this broad background of knowledge and responsibility.
51. It is obvious that a large number of the poor, certainly the working poor, i.e. the marginally employed, the employables receiving assistance and all those who can be retrained and rehabilitated need jobs paying a living wage. Unfortunately such jobs are lacking in many sections of the Atlantic community. The problem then becomes economic. For several years determined efforts have been made by industry and government at all levels to improve the economic climate in Nova Scotia and the Atlantic area as a whole. The task is extremely difficult and at best progress can only be made slowly. The federal government program of regional development is the latest federal effort

to create social and economic opportunity in this field. We wish to express a word of caution. There is a regrettable tendency for the developers, economists and all of us who have encountered serious difficulties in providing economic opportunity to push the problem into welfare expecting a solution. The solution can then at best be assistance and at worst starvation. Neither is acceptable. If, as so often happens, the welfare authority grants assistance, the scapegoat becomes the Welfare Department and the recipient. Community development without the backing of a successful regional development program cannot achieve its full potential.

RECOMMENDATION:

52. We recommend that regional development programs designed for areas such as the Atlantic Provinces place as much emphasis on human resources as on the physical side. The Federal Government should involve industry, labour, consumers of services, the Universities and Government at all levels in a program of regional development to upgrade education, improve housing, create employment opportunities and prevent poverty at its source.

RECOMMENDATION:

53. We recommend that much greater flexibility and imagination be introduced into the provision of tax incentives and that tax incentives and subsidies be provided to private industry to enlist this sector in a war on poverty so that job opportunities may be created, training opportunities provided, and the skill and expertise of industry fully utilized.

REHABILITATION AND PREVENTION

COMMENT:

54. There has been much discussion about what truly constitutes a preventive program in the welfare field. Family Allowances are preventive if they reduce poverty due to family size. Counseling may be preventive in a Family Court. Day Care services may be preventive in respect to poverty if these services enable a skilled mother, otherwise dependent on public assistance, to be employed and self-supporting. The range of preventive services is indeed great.
55. We believe that financial aid programs, in most cases, need to be either supplemented by or accompanied by service programs if they are to be truly effective, rehabilitative and preventive.

56. The Canada Assistance Plan has done very much to encourage the development of both government and voluntary services. Unfortunately, we have only made a beginning in the field of prevention and rehabilitation. We believe that no program will be effective in reducing poverty without these supplementary services.

RECOMMENDATION:

57. We recommend that the federal government revitalize the rehabilitation program it started in 1951, which is now almost static, and that through increased federal sharing from 50 to at least 75 per cent and other similar devices:

- (a) Additional assistance be given to sheltered workshops and activity centres for the disabled and handicapped;
- (b) Additional grants and resources be made available to rehabilitation centres;
- (c) New models of federal-provincial cooperation and coordination be encouraged between the departments of Manpower and Immigration, National Health and Welfare, and provincial departments of Public Welfare and Public Health so that greater impetus may be given to job training, upgrading, counselling and placement of marginal workers, under-developed minority groups, and recipients of assistance;
- (d) Day care programs, head start activities and homemaker services receive increased federal assistance and encouragement.

SICKNESS AND TEMPORARY DISABILITY

COMMENT:

58. A considerable number of Canadians are adversely affected by interruption of income resulting from sickness and temporary disability including childbirth. The ill effects of such layoffs, temporary or prolonged, on the working poor are very great. Undoubtedly many Canadian families, because of such layoffs, are driven from independence and self-reliance into a continuing dependence on the welfare system. Much of industry is still lacking in sick benefits of any duration for illness or disability not compensable under Workmen's Compensation. We believe a large part of the poverty problem would be alleviated by the development of a broadly based program in this area under federal government auspices.

RECOMMENDATION:

59. We recommend the development of a social insurance program to provide for loss of income

due to sickness and disability, coordinated if possible with the unemployment insurance program and earnings related.

RESEARCH

COMMENT:

60. The social sciences are relatively new disciplines. Far too many of the conclusions accepted, published and used as far are little more than subjective opinions based on limited observation, fact finding and research. The measurements are crude and tentative to a far greater degree than prevails in respect to the economic system, although sometimes we feel that system too, is lacking in precision. We are concerned on all sides with social values but how do we measure these objectively and precisely? We might for example, ask what seems to be a simple and basic question. What is the real purpose of life and living for human beings? The welfare model which we devise should be related to and dependent on the answer we give to that question. But the truth is there would be many answers and that being so, there must of necessity be many welfare models, each having its validity, grounded in what our basic philosophy is about life and people. The oft quoted stock answer that our values are based on the Judean-Christian ethic tells us very little of a useful, practical nature. Social psychologist Raymond Bauer of Harvard says, "Our hang-up is that we don't have a model for the social system anywhere as precise as the economists have for the economic system."

61. The Fifth Annual Review of the Economic Council of Canada¹ states:

"... the social sciences... remain relatively underdeveloped in Canada. The support given to research in the social sciences in Canada has been totally inadequate. It represents only a small fraction of the support for the natural sciences; it is smaller in relation to population and total income in Canada than in the United States and various other modern societies; and it is miniscule in relation to the social problems that now confront us.

We therefore recommend that there should be a substantial strengthening of social science research capabilities in Canada..."

¹Economic Council of Canada, *Fifth Annual Review* (Queen's Printer and Controller of Stationery, 1968: Ottawa), p.53.

62. We shall have to go farther than getting the research done. Much research has been done in the Social Sciences, but only a very tiny part of that research has been made practical in its application to public policy and social programming. In short, there is a wasteful gap between research and its application.

RECOMMENDATION:

63. We recommend that the federal government act immediately on the recommendation contained in the fifth annual review of the Economic Council of Canada and substantially strengthen the social science research capabilities in Canada: and we further recommend that special attention be given to the practical application of research knowledge and techniques to the social problems confronting us.

CITIZEN INVOLVEMENT AND PARTICIPATION

COMMENT:

64. It is our considered view that the problem of finding a solution to poverty is no less difficult than finding a cure for cancer or making a landing on the moon. Only naive persons see the answer as simple and easy and the greatest danger to Canadians lies in the nostrums and short term expedients recommended by such individuals.
65. We are convinced that government working alone will not find a satisfactory answer to the widespread problems of poverty confronting Canadians today. If we are really sincere in our attempt to find positive, constructive solutions for poverty, then nothing short of a total mobilization of resources will provide the answer. The fragmented attempts of government, even if coordinated at all levels, cannot go far enough to make a real dent in the problem. We have to ask ourselves, are we waging a war or a mock battle? The war effort of 1939-45 teaches valuable lessons in mobilizing total community effort. The air space program in the United States provides innumerable insights as to what is required to solve what seems to be an insoluble problem. The inputs of the taxpayer and the programs of government will not be enough. What is desperately needed is the mobilization of the expertise, of industry, business, labour, the media, the professions, the universities and the voluntary associations, with government in a coordinated attack on this age old enemy of mankind. Perhaps the best word to describe this is "involvement".
66. Apart from citizen involvement on boards of voluntary agencies, there has been very limited

citizen or consumer involvement in welfare programs. Citizen involvement implies that there are citizens in the community whose special knowledge and expertise might if mobilized, be useful in developing good welfare programs. By consumer, we mean those who are receiving or benefitting from welfare services. During the past year or two, much has been written and some beginnings have been made towards involving clients and users of service on planning committees, councils, boards, etc. We believe there is much to commend this trend.

67. The phrase "participatory democracy" is being used on all sides. Presumably it implies the meaningful involvement of people in the decision making process; that is, in making the decisions that may affect them. If this kind of involvement serves a useful purpose as far as clients and consumers are concerned, the same logic dictates that the process should be even more meaningful and useful when applied to other interest groups within the community.
68. The Minister of National Health and Welfare is to be commended on the establishment of a National Advisory Council on Welfare in which we understand half of the membership is drawn from organizations of consumers of welfare services. The Federal Government in reviewing the function of this National Council for your Committee stated that with its special mandate to seek out the views of the poor, it could provide a vehicle through which the poor can make their views known to Government, and a forum in which these views can be considered by a body on which the poor will have substantial representation.
69. One must assume the Federal Government intends to fully utilize the knowledge, skill and expertise available from this group of consumers as they serve on this National Advisory Council. We believe this action of the Federal Government could be of immense significance. However, we would emphasize that there are other vast resources of technical knowledge and expertise in the community which have been overlooked completely. It is our view that having regard to the magnitude of the problems we face in eradicating poverty, we have to utilize the capabilities of all Canadians. It will not be enough to depend entirely on the solutions suggested by the public servants, social scientists, social workers, etc., devoted and skilled as these may be. Moreover, it is unlikely that the *raison d'être* for what we do will be either fully understood or accepted by all

Canadians unless there is total involvement and mobilization of resources and capabilities. This argument has been used repeatedly to justify the involvement of the consumer. It has just as much validity when applied to the taxpayer, business, finance, industry, labour, the professions, the universities, etc. By all means we should involve consumers, but why should we stop there? What is the rationale for assuming that all wisdom in respect to this most difficult problem is to be found either in the public service or in the consumers of that service?

70. We believe that the polarization of Canadian thinking in respect to social welfare issues could be largely resolved if the issues were squarely faced by the total Canadian community. Poverty in Canada should be and is just as much the concern of finance, business, industry and labour as it is of a selected group of politicians, public servants, social workers and others who happen to be directly concerned with it. We believe this polarization will continue unless steps are taken to mobilize all these resources in a coordinated, combined attack on the problem of poverty. There has been ample evidence in the United States that finance, business, industry and labour can become concerned and involved and thus provide helpful inputs in finding solutions. We are skeptical and indeed pessimistic that any long term solution to

the problem of poverty will be found, or if found can be made effective and practical, by government alone or even by government with the help of consumers. What we are recommending here is the mobilization of all our resources, not just a selected few.

RECOMMENDATION:

71. We recommend that a social science council of Canada be created with the highest level of representation from the social sciences and from those involved in the practical application of the social sciences to social welfare programming and policy making; and we further recommend that this council be the counterpart of the economic council of Canada and that these two bodies make continuing recommendations regarding the elimination of poverty in Canada.

RECOMMENDATION:

72. We recommend the establishment of a select representative body advisory to the Minister of National Health and Welfare and composed of representatives from the fields of finance, business, industry, labour, the professions, the media, the universities and Government at all levels to consider the problem of poverty in Canada and to make recommendations how poverty may be eradicated.

APPENDIX

No. I

APPENDIX No. I

A Profile of Poverty in Nova Scotia
1969

This Appendix contains selected portions of the Brief submitted by the Dalhousie Institute of Public Affairs to the Special Committee of the Senate on Poverty and printed in Proceedings No. I, Second Session, Monday, November 3, 1969, as Appendix "A".

APPENDIX

No. II

APPENDIX No. II

Abstract from the Brief presented by the
Atlantic Ministers of Public Welfare
to
The Honourable John Munro
May 1, 1970

This Appendix contains selected portions of a submission made by the Atlantic Ministers of Public Welfare to The Honourable John Munro, Minister of National Health and Welfare on May 1, 1970.

The portions contained herein relate specifically to those social and economic factors affecting the Province of Nova Scotia which create conditions requiring excessively large expenditures on social welfare.

The Social and Economic Situation in Nova Scotia

1. A program for the alleviation or elimination of poverty in Nova Scotia must begin with a consideration of the special economic and social problems in this area, which have resulted in a higher degree of deprivation and dependency than elsewhere in Canada. The Dalhousie profile is a most valuable compilation of source material on this subject. The Second Annual Review of the Economic

Council of Canada has summarized the factors underlying these problems.¹

2. As pointed out by the Economic Council, we have a relatively low proportion of our population engaged in productive activity. Table 1 shows that we have a relatively small proportion of the total population in the working age group 15 - 65 years. Table 2 shows our lower rates of participation in the labour force. Our rates of unemployment and that of the other Atlantic Provinces are consistently higher than in other areas of Canada (Table 3) and the seasonal employment fluctuations are much more severe (Chart 1). In addition, experience has shown that the Federal Government's anti-inflationary policies will result in a greater increase in unemployment in the Atlantic Provinces than in the rest of Canada.

¹Economic Council of Canada, *Second Annual Review*, (Queen's Printer and Controller of Stationery, Ottawa - 1965), P. 136.

TABLE 1

Percentage Distribution of Population for Various Age Categories, for the Provinces and the Regions and Canada - 1966

	0-14	15-65	65+
Newfoundland	40.4	53.7	5.9
Prince Edward Island	34.7	54.5	10.7
Nova Scotia	33.7	57.4	8.9
New Brunswick	36.0	55.8	8.2
Atlantic Provinces	36.1	55.9	8.0
Quebec	33.6	60.3	6.1
Ontario	31.7	58.0	7.1
Prairies	33.7	58.0	8.3
British Columbia	30.6	58.0	8.3
Canada	32.9	59.4	7.7

Source: 1966 Census of Canada

TABLE 2

Civilian Labour Force Participation Rates for Canada the Provinces and the Regions 1966-1969

	1966	1967	1968	1969
Canada	55.1	55.5	55.5	55.8
Nova Scotia	49.8	50.1	49.8	49.7
New Brunswick	50.2	49.4	49.3	49.3
Prince Edward Island	51.4	50.7	60.0	51.4
Newfoundland	44.3	44.3	43.6	43.2
Atlantic Provinces	48.6	48.5	48.2	48.1
Quebec	54.3	54.9	54.3	54.5
Ontario	57.2	57.6	57.8	58.0
Prairies	55.7	55.8	56.8	56.9
British Columbia	54.9	55.8	56.0	56.7

Source: D.B.S. 71-001

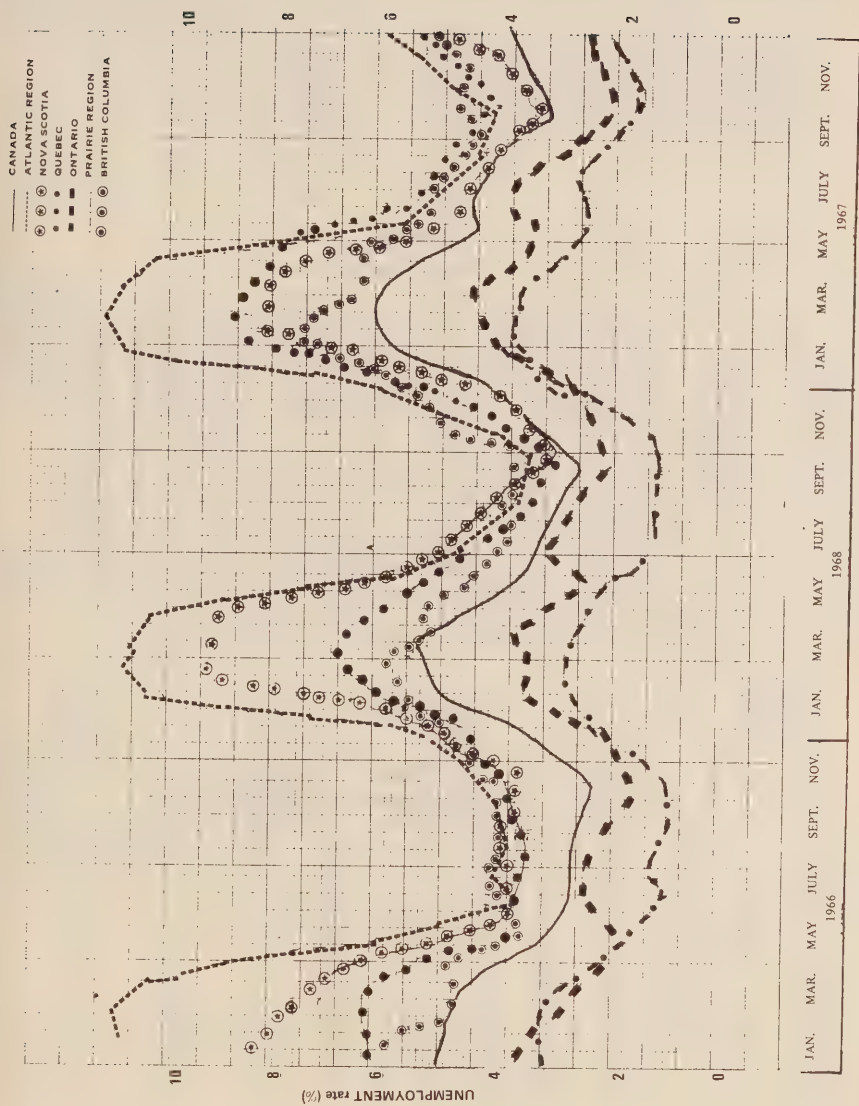
TABLE 3

Unemployment Rates for the Provinces, Regions and Canada for the Years 1965-69

	1965	1966	1967	1968	1969
Canada	3.7	3.6	4.1	4.8	4.7
Atlantic Region	7.4	6.4	6.6	7.3	7.5
Nova Scotia	5.4	5.2	5.6	5.9	5.4
New Brunswick	7.5	6.9	6.9	7.2	8.5
Prince Edward Island	5.6	5.6	5.6	5.6	5.3
Newfoundland	11.3	7.9	8.4	9.7	10.3
Quebec	6.6	5.7	6.4	7.8	6.9
Ontario	6.1	3.0	3.8	4.3	3.1
Prairies	3.1	2.1	2.3	3.0	2.9
British Columbia	5.0	5.3	6.2	7.2	5.0

Source: D.B.S. Special Compilation

CHART 1
MONTHLY UNEMPLOYMENT RATES FOR CANADA AND THE PROVINCES (1966-68)



3. These factors, as indicated in the foregoing Tables, have resulted in a disproportionate percentage of our population being dependent on social welfare programs.

A. The proportion of persons and families receiving public assistance in Nova Scotia and the other Atlantic Provinces is greater than for any other part of Canada. In addition, our actual

payment levels are low and this, of necessity, rules out assistance payments for a large portion of our population who should be receiving help. These low payments also perpetuate conditions of poverty which public assistance is designed to alleviate.

Tables 4, 5, 6, 7 and Chart 2 point out the gravity of this problem.

TABLE 4
Number of Welfare Cases by Province

	Nfld	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1958-59	—	2000	—	10412	—	68471	12119	15940	13128	21011	322385
1959-60	20968	2000	11754	10522	—	71854	14546	16390	13858	24767	
1960-61	20198	2090	12554	10513	111039	78954	20701	18924	16570	30842	
1961-62	21594	2350	12984	14330	135252	87211	23470	28365	18690	35183	
1962-63	21810	2700	13868	14416	147795	91413	—	25880	21384	34374	
1963-64	22424	2960	14510	14430	151908	98710	26151	25481	24331	35025	
1964-65	22591	2870	15082	14880	153703	109239	27185	24927	27069	34332	
1965-66	21638	2700	14216	14456	160193	112031	27296	23265	27116	34138	
1966-67	—	14980	13416	16961	176103	113784	27821	19364	26064	34469	
1967-68	—	5570	13257	16952	193413	109283	26685	18408	26724	36851	520548
1968-69	23395	4390	12652	15469	228904	122842	26663	19700	25836	40697	

SOURCE: *Provincial Tables*

Note: Excluding certain programs for which the number of cases was not available.

TABLE 5
Number of Welfare Cases Per Thousand of Population by Province

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
1958-59	—	20	—	18	—	12	14	18	11	14
1959-60	48	20	16	18	—	12	16	18	11	16
1960-61	45	20	17	18	22	13	23	21	13	19
1961-62	47	22	18	24	26	14	25	31	14	22
1962-63	47	25	19	24	28	14	—	28	16	21
1963-64	47	27	19	24	28	15	28	27	17	21
1964-65	47	26	20	24	28	16	28	26	19	20
1965-66	44	25	19	24	28	17	28	24	19	19
1966-67	—	137	18	27	30	16	29	20	18	18
1967-68	—	51	18	27	33	15	28	19	18	19
1968-69	46	40	17	25	39	17	27	—	17	20

Source: *Provincial Tables and D.B.S. Population Estimates and Census Data.*

Note: Excluding Certain Programs for which the number of cases was not available.

TABLE 6

Ratio of Provincial Percentage Share of Total Financial Assistance Expenditure to Percentage Share of Personal Income

	<u>1959-60</u>	<u>1965-66</u>	<u>1967-68</u>	<u>1968-69</u>
Newfoundland	4.4	2.7	4.4	3.6
Prince Edward Island	1.3	1.3	1.8	1.5
Nova Scotia	1.2	1.1	1.3	1.3
New Brunswick	1.4	1.4	1.4	1.6
Quebec	1.4	1.4	1.4	1.4
Ontario	0.6	0.6	0.6	0.6
Manitoba	0.9	1.3	1.4	1.3
Saskatchewan	1.2	0.9	0.9	0.8
Alberta	1.0	1.1	1.0	1.0
British Columbia	1.2	1.0	0.8	0.9

Source: *Provincial Tables and D.B.S., "National Accounts, Income and Expenditures" (Cat. No. 13-201)*

TABLE 7

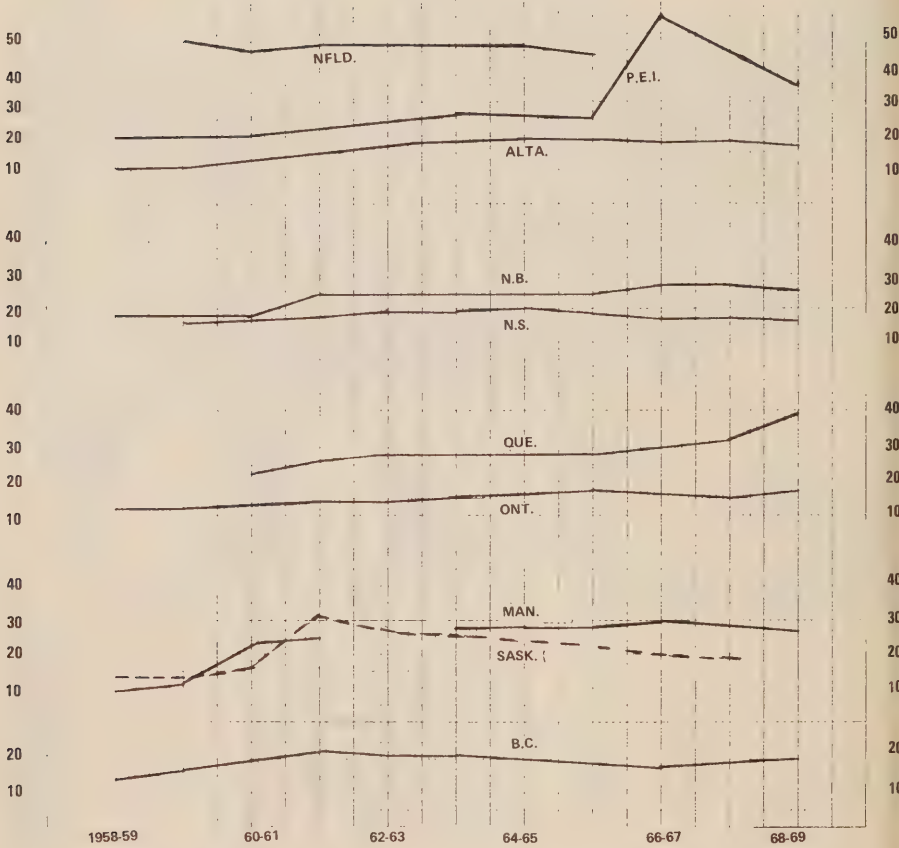
Proportion of Population* in Receipt of Public Assistance in the Atlantic Provinces as of March 31, 1969

<u>Province</u>	<u>Estimated Population</u>	<u>No. of Cases</u>	<u>No. of Recipients</u>	<u>Percentage in Receipt of Assistance</u>
Newfoundland	514,000	26,078	87,237	17.0
Prince Edward Island	110,000	3,650	10,135	9.2
New Brunswick	625,000	16,488	51,910	8.3
Nova Scotia	763,000	17,142	40,314	5.3

*D.B.S. Estimated June 1, 1969

NUMBER OF WELFARE CASES PER THOUSAND OF POPULATION BY PROVINCE

CHART 2



B. Notwithstanding the fact that our monthly per capita costs for public assistance continue to be high, our monthly family and individual budget levels were no higher in 1968 than for the rest of Canada, according to a study completed by the Research and Statistics Directorate of the Department of National Health and Welfare. However, our monthly payments are comparatively low. This is due to the imposition of a ceiling on payments which, in fact, denies the budget principle. For example, if Nova

Scotia removed the maximum payment of \$175.00 per month to a family and updated its benefit levels for items of family need which are now based on 1965 cost of living figures, the 1970 total cost increase would be \$2,477,408.00. This figure does not take into account the increase in caseload which would result from the additional number of persons who would qualify because of higher assistance payments.

TABLE 8
Monthly Expenditure Per Public Assistance
Case, by Province
(dollars)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1958-59	—	43.43	—	53.06	—	58.99	48.29	57.65	60.40	68.09	62.59
1959-60	52.78	48.88	53.17	52.54	—	59.79	55.74	60.69	62.72	66.89	
1960-61	55.07	49.28	52.13	66.81	65.34	60.57	56.49	60.44	63.70	76.21	
1961-62	56.55	51.13	53.40	63.29	71.42	63.95	73.06	44.49	67.96	75.64	
1962-63	60.77	57.35	59.30	70.73	74.46	68.88	—	59.87	82.09	77.38	
1963-64	63.04	56.08	62.19	79.12	75.58	74.18	76.71	61.86	86.23	80.57	100.17
1964-65	65.67	67.83	66.52	79.15	81.36	79.40	82.90	66.48	93.16	83.87	
1965-66	67.80	71.64	70.05	81.28	81.41	83.28	85.72	70.24	104.96	93.39	
1966-67	—	—	77.51	65.01	78.81	85.58	95.38	91.78	119.25	96.22	
1967-68	—	61.59	83.95	80.15	82.07	98.08	113.33	97.05	124.50	100.48	
1968-69	112.74	69.17	92.45	122.19	86.64	104.40	133.53	97.05	144.96	114.32	100.17
Percentage change over the period	113.6	41.5	73.9	132.6	32.6	74.6	139.6	59.9	131.1	70.9	60.0
Average percentage change per year	12.6	4.6	8.2	14.7	4.1	8.3	15.5	6.7	14.6	7.9	7.5

Source: Provincial Table Note: Excluding certain programs for which the number of cases was not available.

TABLE 9
Per Capita Financial Assistance Expenditures
by Fiscal Year, by Province

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1958-59	—	10.22	—	11.23	13.90	8.14	7.94	12.22	12.32	16.04	—
1959-60	31.14	11.61	11.85	11.40	15.06	8.64	10.92	13.16	13.19	17.71	12.79
1960-61	31.85	12.00	12.84	14.31	16.93	9.39	15.49	15.00	14.67	23.39	14.66
1961-62	33.16	13.73	13.93	18.20	22.04	10.73	22.32	16.37	16.06	25.10	17.50
1962-63	35.01	17.53	15.82	20.16	24.61	11.91	22.67	20.00	19.51	24.34	19.26
1963-64	36.65	18.62	17.30	22.31	25.20	13.63	25.34	20.27	21.37	24.79	20.53
1964-65	37.61	21.83	18.77	22.91	26.98	15.80	28.23	21.09	24.06	24.53	22.26
1965-66	37.54	21.29	19.11	22.93	27.53	16.50	29.10	20.64	26.04	26.59	23.00
1966-67	52.15	43.69	21.31	21.45	28.81	16.79	33.17	22.32	27.61	25.89	24.30
1967-68	71.37	37.77	26.40	26.30	32.46	17.99	37.69	22.38	28.39	24.54	26.67
1968-69	64.66	33.13	29.72	36.35	40.15	21.07	41.94	23.37	30.73	29.46	31.05
Percentage change over the period	107.6	185.4	150.8	218.9	166.6	143.9	284.1	77.6	133.0	66.3	142.8
Average percentage change per year	12.0	20.6	16.8	24.3	18.5	16.0	31.6	8.6	13.7	7.4	15.9

Source: *Provincial Tables and D.B.S. Population Estimates and Census Data*. 1958-59 Expenditures Divided by Population as at June 1, 1968 and so on.

TABLE 10

Monthly Rates for Food, Clothing and Personal Care Under Social Assistance Programs for a Family Consisting of two Parents a Girl of 8 and a Boy of 13, by Province June 1968

Province ¹	Total	Food	Clothing	Personal Care
	\$	\$	\$	\$
Newfoundland	140.00	105.00	35.00 ²	--
Prince Edward Island	154.00	95.00	45.00	14.00 ³
Nova Scotia*	148.00	96.00	35.00	17.00 ³
New Brunswick	113.66	73.66	25.00	15.00
Ontario				
Provincial All.	150.00 ⁴	4	4	4
Municipal All.	132.00 ⁵	5	5	5
Manitoba	137.00	101.00	21.00	15.00 ³
Saskatchewan	137.25	95.00	34.30	7.95
Alberta	133.20	97.30	35.90	--
British Columbia	136.00 ⁶	85.00	35.00 ⁷	--

1. Data not available for Quebec.

2. Covers also allowance for items of personal care.

3. Includes household supplies.

4. The amount for the pre-added budget which covers food, clothing, personal care, utilities and household supplies.

5. The pre-added budget for recipients of municipal aid covers food, clothing and personal care only; in addition a utilities allowance of \$11 and an allowance of \$7 for household supplies is granted.

6. Includes the supplementary grant of \$8 per child in the family unit which may be paid in addition to the basic amounts.

7. Covers also fuel, operating and sundries.

* Because Nova Scotia has a maximum payment of \$175.00 per month under the Provincial Social Assistance Program, regardless of family size, this figure leaves a total of \$27.00 per month for shelter.

C. Although our expenditures per public assistance case are low in relation to the other Canadian Provinces, the cost of living in Nova Scotia and the Atlantic Provinces generally is as high or higher than the Canadian average.

TABLE 11

Regional Consumer Price Indexes by Province
Canada - 1961-1964
(Manitoba 1963 = 100)

	1961	1962	1963	1964
Newfoundland	112.0	112.9	115.2	116.5
Prince Edward Island	104.2	105.2	106.8	107.9
Nova Scotia	104.2	105.5	106.6	107.0
New Brunswick	104.2	105.2	106.8	107.9
Quebec	102.0	103.2	104.9	106.6
Ontario	98.6	99.4	101.1	102.9
Manitoba	97.9	99.1	100.0	101.5
Saskatchewan	102.8	104.5	105.3	106.4
Alberta	100.0	101.0	102.1	102.6
British Columbia	107.6	107.9	109.6	110.3

Source: Appendix Table B in "Interregional Disparities in Income", by S. E. Chernick, p.88 (These comparisons do not include shelter costs.)

D. The number of public assistance recipients in the Province of Nova Scotia who are at peak working age (20 - 49 years) is relatively high. This is indicated in the following table.

TABLE 12

Percentage of Family Heads Between 20 - 49 Years of Age Receiving Public Assistance in the Atlantic Provinces as of March 1969

Province	Public Assistance Recipients 20 - 49	Number Employable	Public Assistance Recipients Aged 20 - 49 as a % of Total Provincial Assistance Caseload
Newfoundland	11,282	4,062	49.3
Prince Edward Island*	--	--	--
New Brunswick	11,211	Not Available	49.9
Nova Scotia	11,211	1,474	65.3

*Data not available for Prince Edward Island

Personal income (Tables 13 and 14) and wages and salaries (Tables 15 and 16) show that even those who are employed receive incomes below those in the remainder of Canada with the exception of the other

Atlantic Provinces. Generally this is a reflection of the educational level of the population (Table 17) and the higher proportion of persons living in rural areas (Table 18).

TABLE 13
Personal Income Per Person for the Provinces
and Canada 1961-1968

	1961	1962	1963	1964	1965	1966	1967	1968
Newfoundland	951	951	998	1,070	1,154	1,274	1,398	1,467
Prince Edward Island	943	1,047	1,056	1,165	1,248	1,367	1,532	1,682
Nova Scotia	1,256	1,307	1,370	1,452	1,562	1,713	1,904	2,072
New Brunswick	1,099	1,147	1,217	1,311	1,416	1,571	1,737	1,897
Quebec	1,455	1,532	1,588	1,710	1,857	2,045	2,239	2,406
Ontario	1,908	2,007	2,111	2,222	2,409	2,648	2,842	3,065
Manitoba	1,546	1,712	1,727	1,853	1,969	2,153	2,407	2,654
Saskatchewan	1,146	1,604	1,788	1,616	1,879	2,154	2,089	2,386
Alberta	1,607	1,711	1,767	1,821	1,992	2,281	2,419	2,645
British Columbia	1,843	1,924	2,022	2,145	2,334	2,542	2,693	2,842
Yukon and North west Territories	1,486	1,400	1,561	1,524	1,610	1,674	2,182	2,326
Canada	1,613	1,720	1,802	1,898	2,066	2,283	2,461	2,660

Source: *D.B.S. Revised Compilation*

TABLE 14
Personal Income Per Person by Province and Canada
as a Percentage of Ontario for
the Years 1961-1968

	1961	1962	1963	1964	1965	1966	1967	1968
Newfoundland	48.8	47.4	47.3	48.2	47.9	48.1	49.2	47.9
Prince Edward Island	49.4	52.2	50.0	52.4	51.8	51.6	53.9	54.9
Nova Scotia	65.8	65.1	64.9	65.3	64.8	64.7	67.0	67.6
New Brunswick	57.6	57.1	57.7	59.0	58.8	59.3	61.1	61.9
Quebec	76.3	76.3	75.2	77.0	77.1	77.2	78.8	78.5
Ontario	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Manitoba	81.0	85.3	81.8	83.4	81.7	81.3	84.7	86.6
Saskatchewan	60.1	79.9	84.7	72.7	78.0	81.3	73.5	77.8
Alberta	84.2	85.3	83.7	82.0	82.7	86.1	85.1	86.3
British Columbia	96.6	95.9	95.8	96.5	96.9	96.0	94.8	92.7
Yukon and North- west Territories	77.9	69.8	73.9	68.6	66.8	63.2	76.8	75.9
Canada	84.5	86.7	85.4	85.4	85.8	86.2	86.6	86.8

TABLE 15

Average Weekly Wages and Salaries for
the Atlantic Provinces and Canada
1965-1966

	1965	1966	1967	1968
Newfoundland	80.22	83.05	90.92	99.15
New Brunswick	74.06	79.21	85.25	89.55
Prince Edward Island	62.48	64.99	70.58	72.41
Nova Scotia	73.42	77.04	82.64	88.19
Canada	91.01	96.34	102.76	109.88

Source: D.B.S. 72-002

TABLE 16

Average Weekly Wages and Salaries by Major
Industries for the Atlantic Provinces
and Canada 1967

Industry	Atlantic Provinces	Canada
Mining, including milling	109.19	129.27
Manufacturing	85.69	106.48
Construction	96.33	130.63
Transportation, Communica- tion and Other Utilities	95.09	113.04
Trade	68.66	81.25
Finance, Insurance & Real Estate	86.77	99.01
Service	54.75	75.30
Industrial Composite	85.03	102.76

Source: Prepared by Economics and Research Division, Department of Labour, Province of Nova Scotia

TABLE 17

Percentage of the Population 14 years of age and over in Selected Educational Categories
(January, 1966)

Level of Education	Canada	Atlantic Region	Quebec	Ont.	Prairie Region	B.C.
Completed elementary school education or less	37.8	43.5	44.3	33.4	36.5	27.5
Some University education or degree	9.7	7.6	9.4	9.4	10.2	12.6

Source: *Special Labour Force Studies, No. 7, D.B.S. 71-512*

TABLE 18

Percentage of Population Living in Urban and
Rural Areas

	Rural			
	Farm	Non Farm	Urban	Total
Atlantic Provinces	6.8	39.6	53.6	100.0
Quebec	8.5	13.2	78.3	100.0
Ontario	6.9	12.7	80.4	100.0
Prairies	21.3	16.0	62.7	100.0
Canada	9.6	16.8	73.6	100.0
British Columbia	4.5	20.2	75.3	100.0

Source: 1966 Census of Canada

of Canada.¹ The statistics in these studies give an indication of the area's greater need for "catch up" expenditures, at a time when provincial government expenditures on what the Economic Council calls "growth related functions", are lagging behind.² Recent studies have shown that programs designed to improve the physical resource base have not made any significant impact on the problem. It is now generally accepted that much more comprehensive programs involving improvement of human as well as physical resour-

¹See particularly Staff Study No. 14 "Interregional Disparities in Income" by S. E. Chernick and Staff Study No. 12, "An Analysis of Interregional Differences in Manpower Utilization and Earnings".

²Second Annual Review, Economic Council of Canada, p. 133.

4. The persistent nature of Nova Scotia's economic and social problems is expanded upon further in detailed studies prepared by the Economic Council

ces are needed.³ Programs that emphasize education, health, housing and labour mobility must be developed as part of a total coordinated program of labour force adjustment. The Comprehensive Rural Development Agreements now in effect in New Brunswick are an attempt to develop such an approach.

5. Provincial expenditures are limited by the tax base and consequently those areas with the greatest need for social services have the choice of increasing the burden of taxation or spending less per capita than the most affluent provinces. In fact, the Province of Nova Scotia has spent less as shown by the Economic Council's Report and the tax burden still tends to be greater. This is clearly a very inequitable position. To improve this situation, it is necessary to remove the constraints on the provincial tax base by means of grants from the Federal Government. This is only partially achieved through the cost-sharing and equalization grants. These grants should make it possible to spend an equal amount per capita on required services in each of the provinces throughout Canada. There is no need to emphasize that this point has not been reached. At the same time it is necessary to recognize that low income areas create a greater need per capita than the national average. Therefore, a second step in creating equity among all provinces must be to increase per capita spending in the poorer areas of Canada. This would be aimed at creating an equal standard of services for all provinces, notwithstanding a greater demand on the social and welfare services in some. Frequently we find that these depressed areas experience higher costs in providing services. This is attributable to their smaller and more dispersed population and the higher salaries necessary to attract qualified staff. This, in turn, creates an additional requirement in allocating funds to the depressed areas in order to compensate for the higher costs of providing services. Consequently, we believe a strong case can be made for improving the standard of services in poorer areas over and above the level for the rest of the country. We believe that present Federal Cost Sharing Formulae do not take into account these additional needs in the Province of Nova Scotia.

6. In short, we believe that present federal assistance programs for Nova Scotia are lacking in three important respects:

A. Insufficient assistance has been provided for major human resource development programs which are the responsibility of the province. Although considerable assistance is received from the Federal Government through shared cost programs and equalization grants, with the exception of medicare, these grants do not fully take into account the higher per capita need in Nova Scotia and the lower tax capacity available to meet that need. In addition, federal programs such as Housing and Manpower do not appear to be reaching the persons with the greatest need. Programs for development of human resources must have a high priority in any attempt to eliminate poverty.

B. The federal assistance programs have not recognized the special and important role of income maintenance programs in combatting poverty. While the Canada Assistance Plan has contributed much in this area, the sharp increase in costs has put a heavy drain on our provincial budget and has thus made it difficult to find the money required to develop effective preventive and rehabilitative services. With the implementation of the Canada Assistance Plan, this province is being put in the position where it must spend a much larger sum of money on welfare programs. In fact, the implementation of the Canada Assistance Program is forcing us to "catch up" and we do not have the money. Therefore, the government of Nova Scotia has no choice but to look at the possibility of a reduction in other government programs and/or welfare programs. A reduction in welfare programs can only be accomplished by severely limiting the definition of need. Our present needs test results in a payment which is no higher than that for the rest of Canada even if we were able to truly pay according to need.

C. Present federal programs have tended to single out particular areas of the Province of Nova Scotia for special assistance, when in fact, the problems and therefore the need for special assistance is province-wide.

7. As a result of our long history of chronic dependency, we, in the Province of Nova Scotia, have large numbers of persons who are hard-core welfare cases. Consequently, massive programs or rehabilitation, community development and prevention are required to ensure that whole communities do not go on public assistance for long periods of time. We recognize that anything

³*Fifth Annual Review*, Economic Council of Canada, p. 133.

done in this area is not going to reap significant benefits for some time, but we believe we must get started. The program envisioned would ensure that all persons in Nova Scotia are able to take advantage of improved educational opportunities, both for themselves and their children; that housing is improved, and that conditions which contribute to poor health do not continue to be a factor in limiting ability to benefit from educational and employment opportunities. We believe that such a program is a necessary complement to and an integral part of any successful program of indus-

trial development. Future programs, we contend, must aim at improving "the sour atmosphere of poor health and bad housing—the accumulated defeat, alienation and despair which often so tragically are inherited by the next and succeeding generations."¹

¹*Fifth Annual Review*, Economic Council of Canada, p. 105.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE

ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 38

THURSDAY, MAY 7, 1970

WITNESSES:

Department of Social Services and Rehabilitation of the Province of
Newfoundland: Honourable Stephen A. Neary, Minister.

APPENDIX:

"A"—Brief submitted by the Department of Social Services and Rehabilitation of the Province of Newfoundland.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Thursday, May 7, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, Lefrançois, MacDonald (*Queens*), McGrand and Sparrow. (9)

In attendance: Mr. Frederick J. Joyce, Director.

The following witness was heard:

The Honourable Stephen A. Neary, Minister of the Department of Social Services and Rehabilitation of the Province of Newfoundland.

(Biographical information respecting the above witness immediately follows these Minutes.)

The brief submitted by the Department of Social Services and Rehabilitation of the Province of Newfoundland was ordered to be printed as Appendix "A" to these proceedings.

At 11.15 a.m. the Committee adjourned until Tuesday, May 12, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

ERRATA: On pages 9 to 23, inclusive, of Volume 26 of the proceedings of the Special Senate Committee on Poverty, reference is made a number of times to Controller or Mr. "Mallett" which should read Controller or Mr. "Malette".

BIOGRAPHICAL NOTES

The Hon. Stephen A. Neary, Minister of the Dept. of Social Services and Rehabilitation of the Province of Newfoundland.

Born: Bell Island, Conception Bay, Newfoundland, 1925.

Educated on Bell Island at St. Kevin's Boys School.

Employed with DOSCO for approximately 21 years until the closing of the mine in June, 1966, leaving the community without an industry.

Labour Experience: Fourteen years president of an office and professional workers group. Twice elected Secretary Treasurer of the Newfoundland Federation of Labour and Acting President of that organization for a short time. Active in municipal politics. Member of the Wabana Town Council for 13 years and twice elected President of the Newfoundland Federation of Mayors and Municipalities. Also active in other community activities such as the Libraries Board, Boys Club, Recreation Commission, Hospital Committee and T.B. Association.

First elected to the provincial House of Assembly in 1962 as a Liberal—re-elected in 1966. Appointed Minister without Portfolio in the fall of 1968—given responsibility for transportation a few months later. In June, 1969, given the Portfolio of Public Welfare now known as the Department of Social Services and Rehabilitation.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Thursday, May 7, 1970

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The *Chairman*: I call the meeting to order. Before us today is the Honourable Stephen A. Neary, Minister of Social Services and Rehabilitation, Province of Newfoundland. He is here to present his brief.

Honourable Stephen A. Neary, Minister of Social Services and Rehabilitation, Newfoundland: Mr. Chairman, and members of the committee, I think there is no need, in my submission, to dwell on the seriousness of poverty in Canada's newest province, Newfoundland is perennially distinguished by the lowest per capita income, the largest families and greatest birth-rate, the highest index of unemployment, the lowest average level of education, the greatest per capita provincial indebtedness both at the beginning of and now at the end of 20 years of Confederation in comparison with other provinces.

Despite the plans and measures that have been taken in Newfoundland since Confederation to cope with the realities of poverty, poverty is still with us in the philosophy or the lack of philosophy of life which goes on with unearned income.

We are putting forth a new concept. We think we should experiment. We think that we should change our thinking on poverty. We must be flexible because we do not believe that the current social assistance programs are sufficient to do the job that they should be doing. All they are doing at the moment is entrapping people, not only second generations but, in some cases, third generation people, in perpetuating poverty.

Mr. Chairman, no doubt in your committee hearings you have had many definitions of poverty and many instances of the degradations and actual tortures that it imposes on the human spirit. There is no need for

me to dwell on the hopelessness and despair, the sense of entrapment, that erodes the souls of those citizens and their children who, once they fall into the quicksand of dependence on social assistance, sink deeper and deeper into it. To be robbed of the sense of fulfillment that comes from earning one's own way and providing for one's own family leads to the greatest poverty of all—poverty of morale, of soul, of spirit, of attitude.

Mr. Chairman and members of this committee, as we say in our brief, "Thank God the day of the workhouse is gone." No government that is worth its salt, in our opinion, would uphold the principle of compulsory labour for those for whom technological change or personal misfortune has robbed them of the opportunity to earn a livelihood in today's highly selective and competitive labour market. We must face up to the fact, sir, that those very technological advances which produce such a cornucopia of material products tend to rule out hands as a factor in such production to the point that we have sincere prophets, in Canada and the United States, who forecast that by the year 2000 three-quarters of Canadians will be paid not to work as we understand work today.

Perhaps, Mr. Chairman, in the three decades ahead we will have discovered how to educate people to cope with the circumstance of unlimited leisure. In the meantime, however, we have to deal with at least two generations who have not been exposed to any such conditioning.

The opportunities for economically justifiable employment are shrinking, but there is no lack of work to be done on this continent. I think this could be borne out by the Economic Council of Canada who, a year and a half or two years ago, reported that in the last 15 years in Canada there has not been one additional job created. There have been new jobs created by expansion of old industry and creation of new industry, but in that 15-year period not an additional job was created. There were new jobs but we have not been able to keep ahead. We have not been able to take care of the students who are coming

out of the vocational schools, the trades and technology colleges, and the universities. Even with old industry expanding and new industry being created, not one additional job has been created.

In my province alone there is a whole list of projects that can benefit people, but which cannot be justified as projects for the private business sector of our economy, projects that are non-competitive with private business but which could employ great numbers of citizens without any complex training in skills.

We have untrained and semi-illiterate people who are on so-called welfare or social assistance, a more sophisticated name that we give it. These form the hard-core of that close to one-fifth of our province's population which is on either long- or short-term social assistance. In our opinion, these could be employed upgrading by hand the perimeters of the 564 miles of the Trans-Canada Highway that crosses our province. The unemployed miners of my own district of Bell Island could be occupied for another 10 years in hewing out a tunnel from their island to the local mainland, which would protect the provincial and private investment in this community that was not so very long ago, as Senator Carter will recall, the second largest community in the province. We feel that this would protect the investment by making it an adequate dormitory town for those commuting to employment and who are at present heavily handicapped by the need to pay for a ferry trip twice daily to their jobs. Reforestation, provincial parks improvements, community and beach clean-ups, all of these could be given a tremendous boost without interfering in any way with the private sector of business except to provide it with customers.

My suggestion is simply that the cost-sharing aid of the Canada Assistance Plan be extended to assisting provincial treasuries to finance Crown corporations charged with hiring from among social assistance recipients applicants for work on a selected list of projects which would be reviewed from time to time.

No recipient of assistance would be pressured into accepting such employment, but the opportunity would be there for him to earn well over and above his welfare entitlement at a type of work suited to whatever skills and training he has had, or a type of work where his lack of training would not handicap him from its performance.

Mr. Chairman and members of the committee, our people want work, and want work that they can perform with some sense of competency and self-

fulfilment. Today and tomorrow technological advance in practically every area of business is eliminating the need for those who lack specialized training. Only government can afford to employ such citizens, to create a pay for the kind of work they can do. But my government, that of the Province of Newfoundland and Labrador, cannot go it alone on such a project. The burden on the provincial taxpayer is already at the limit. We desperately need help, and if we are to cope with the worst kind of poverty of all—the poverty of opportunity, the poorness that prevents a man or woman from soul-saving, face-saving employment—we must have help from a treasury other than our own.

In our brief we are soliciting your support in a broadening of the terms of the Canada Assistance Plan to include cost-sharing aid, not just in maintaining some 20 per cent of our province's population in unproductive idleness, but in financing their way to paid employment that will make unique and presently neglected contributions towards improving life for all in your newest province and one which is struggling desperately to escape Cinderella status in our great Canadian family.

I think, Mr. Chairman, that pretty well sums up what is in the brief.

Senator Carter: Mr. Neary, in Newfoundland we have two problems, as you said, money and jobs. Let us start with money.

Hon. Mr. Neary: Work.

Senator Carter: Jobs, work. Can you tell me how much we spent in the last year on welfare?

Hon. Mr. Neary: Long-term and short-term social assistance?

Senator Carter: Total expenditure on welfare?

Hon. Mr. Neary: Approximately \$22 million.

Senator Carter: That was for 1969-70?

Hon. Mr. Neary: Yes.

Senator Carter: Same as the year before? Practically the same?

Hon. Mr. Neary: Practically the same, yes. And, we spent around the same year.

Senator Carter: So our expenditures are more or less frozen for the last 3 years around \$22 million?

Hon. Mr. Neary: That is right, sir.

Senator Carter: Had we budgeted that? Is that what we budgeted for or is that less?

Hon. Mr. Neary: That is what we budgeted for Treasury Board. Of course, we would like to have more because we know that for our people on short-term assistance, the people who are unemployed through no fault of their own, the rates are really low and we would like to have more money to spend to increase the rates.

Senator Carter: What percentage of the total budget is that? Can you give us some idea? Would it be 10 per cent or would it be more?

Hon. Mr. Neary: No, we spend more than that on welfare. The total budget of my department is around \$42 million.

Senator Carter: I mean the total budget that we spent for everything. Our total spending for the province.

Hon. Mr. Neary: Roughly 9 per cent or 10 per cent.

The Chairman: No. Much higher. Our own figures would indicate that they spend 17 per cent.

Hon. Mr. Neary: Yes, but that is the total budget of my department. The total budget of my department runs around \$42 million or \$43 million. One-fifth of that is spent on short-term assistance.

Senator Carter: I was thinking of how much we spent in terms of priorities.

Senator Sparrow: May I interject a moment? You used the figure of \$22 million.

Hon. Mr. Neary: That is long-term and short-term assistance. The total budget of my department was around \$43 million or \$44 million.

Senator Sparrow: What is the difference?

Hon. Mr. Neary: Because we have homes for the aged, blind children, schools for the deaf, homes for juvenile delinquents, widows, orphans. Right at this moment there are 2,100 children under the care of my

department. These would be illegitimate children, children from broken homes and this sort of thing. I would say that is a king-size family. This sort of thing makes up the difference between the \$22 million that I quoted for looking after people who are handicapped—sick, widows, orphans—and people who are unemployed through no fault of their own.

Senator Sparrow: The total provincial budget is how much, then, \$220 million?

Hon. Mr. Neary: No. The total provincial budget this year will be over \$300 million.

Senator Carter: Just slightly over \$300 million?

Hon. Mr. Neary: Yes.

Senator Carter: Of the \$22 million you spend you get \$11 million back.

Hon. Mr. Neary: Yes.

Senator Carter: From the federal Government?

Hon. Mr. Neary: Yes.

Senator Carter: How much of the rest of your budget, the \$44 million, would you get back?

Hon. Mr. Neary: I would make a guess of between 40 and 45 per cent, because some of the programs that we carry out in my department are not sharable under the Canada Assistance Plan. Most of the programs are sharable and we recover 50 per cent from the Canada Assistance Plan.

Senator Carter: The one thing new in your presentation that you advocate is use of the Canada Assistance Plan in some sort of make-work project. We have had things like that before in the Winter Works Program, as you may remember, and we had a special arrangement for housing to encourage housing in the wintertime. Are you aware that the Canada Assistance Act can now be used to supplement what we would call "working poor," if they were working? Does your province spend any money under that section, or do you have that in your agreement with the federal Government?

Hon. Mr. Neary: We do supplement now people who are earning below subsistence income with large families, but only to a limited scale because our rates are not all that good.

Senator Carter: What are your rates? What is your maximum rate? Take a family of four.

Hon. Mr. Neary: For a family of four the rate would be \$70 a month for food. A man and his wife would get \$25 each a month for food, and each child would get \$10. That would be \$70 for food. If it was in an area, as we say in Newfoundland, that is not a wooded area, then we would allow him fuel, which would probably amount to \$15 or \$20, depending upon the price of fuel in that area.

Senator Fergusson: If it was a wooded area he would have to get his own fuel?

Hon. Mr. Neary: That is right.

Senator Carter: But you are talking about able-bodied people now.

Hon. Mr. Neary: The rates are more generous for those who are on long-term assistance or, as they say, turned down by the doctor.

Senator Carter: What are your maximum rates for a family of four in those circumstances?

Hon. Mr. Neary: Roughly \$230 a month.

Senator Carter: You are more generous than Nova Scotia. They have a cut-off at \$175 a month, no matter how large the family is.

Hon. Mr. Neary: That is right.

Senator Carter: Do you have a cut-off figure, a maximum ceiling?

Hon. Mr. Neary: No. It depends on the size of the family.

Senator Carter: Can you tell us how you work out your definition of need under the Canada Assistance Act? How do you define need as compared with the old means test we had before the Canada Assistance Act?

Hon. Mr. Neary: We still have the needs test.

Senator Carter: How do you define need?

Hon. Mr. Neary: I would say that 99.9 per cent of the people on long-term assistance have been certified by a doctor as being unfit for work. The others, on the

short-term assistance, are those who are unemployed through no fault of their own.

Senator Carter: When you talk about short-term assistance, have people been on short-term assistance as long as a year?

Hon. Mr. Neary: Some have been on as long as 20 years, since Confederation.

Senator Carter: On short-term assistance?

Hon. Mr. Neary: Yes.

The Chairman: What is long-term assistance?

Hon. Mr. Neary: In order to qualify for long-term assistance you have to be considered unemployable; in other words, you have to be certified as being unfit for work by a doctor.

Senator Fournier: It is a "rubber" assistance. You can stretch it as long as you want.

Hon. Mr. Neary: Providing the doctor will certify that he is unfit for work for longer than a period of six months. Actually, and I think you would agree with me, this is wrong because for people who have been on short-term assistance for a long time, the ultimate in life for them is to try to get on long-term assistance because they get more generous rates. This is morally wrong. They have a tendency then to try and chisel, and then the doctor becomes a faker because they hound and pester him to try to get on long-term assistance. He will give in eventually because he wants to get the fellow out of his office. He is becoming a proper nuisance.

Senator Carter: You have no special definition for need, apparently. You just assess it as so much he needs? You do not have a definition on which these assessments are made?

Hon. Mr. Neary: You mean is it based on the cost of living and that sort of thing?

Senator Carter: How do you define a needs test as different from a means test?

Hon. Mr. Neary: That is rather difficult because, I think they are practically the same thing.

Senator Carter: In practice there is no difference?

Hon. Mr. Neary: In practice I would say very little difference. People on long-term assistance, and I hate to be repeating myself, are considered to be unemployable.. Whether they are all unemployable or not, there is some question in my mind about that because I think a lot of them have gotten on long-term assistance because the rates are more generous and the doctor probably stretched a point. That is only my opinion. I am not a professional. The rates are set for people on short-term assistance. We have fixed rates for them. The people on short-term assistance are unemployed but are considered to be employable. They are probably untrained, unskilled. By the way, we are now getting some skilled people coming to us since there has been a cut-back in construction in Newfoundland and we are under an austerity program. Office employees and master mechanics and this sort of person are now becoming unemployed. When his unemployment insurance runs out he does not have any choice but to come to us between job opportunities.

Senator Carter: Then he gets \$25 for himself and \$25 for his wife?

Hon. Mr. Neary: That is right.

Senator Carter: How can he live on that?

Hon. Mr. Neary: This is why the ministers of welfare of the Atlantic Provinces have just presented a brief to Mr. Munro. The Newfoundland people are taxed to the hilt now, as you know, and the only way that we can get more money to better look after our needy people is from another treasury.

Senator Carter: Let us come back to this work concept. Could that not be better done under some other arrangement than under the Canada Assistance Act? Do you think the Canada Assistance Act lends itself to that type of project? Is this not something to be worked out with the federal Department of Labour, or Manpower and Immigration, or Regional Economic Expansion, because the Canada Assistance Act is a welfare act. It is not a make-work act, as I understand it. It can be used to subsidize working poor. Can you use that section of that to do what you want to do?

Hon. Mr. Neary: We either change the ground rules of the Canada Assistance Plan or we develop a completely new concept and, personally, I do not care how it is done. Even with a guaranteed annual income that we seem to be headed towards, and I mentioned

it in my brief rather casually, you are still going to pay people to remain in idleness, and I think this is morally wrong. I think it would be far better to take the money and create work for these people where they would be paid the equivalent of union wages, but not compete with members of trade unions or business or industry. I think we have enough work in this country, even cleaning up the beaches across Canada trying to clear up pollution. You could employ a tremendous number of people to do this.

Senator Carter: Would you restrict this only to welfare people? In other words, people would have to be on welfare before they could get a job like this?

Hon. Mr. Neary: I have not given much thought to that. You might run into a bit of a problem there. People earning below a subsistence income might say, "I would be better off if I go to work in one of these projects". The details would have to be worked out if the principle was accepted. I think if you take any businessman who wants to introduce a new product, he first tests the market before he introduces that product. I think Newfoundland would be a good testing ground for this new concept that we proposed here.

Senator Carter: Sort of an experimental area. You mentioned a guaranteed annual income. I take it from what you said that you are not too fussy about the guaranteed annual income? It is too demoralizing?

Hon. Mr. Neary: No sir, far from it. I do not think we have any choice in Canada.

Senator Carter: If you had a preference of, say, a guaranteed annual income or a different Canada Assistance Plan or some other scheme, what would your choice be?

Hon. Mr. Neary: If I had a choice it would be the one proposed in our brief.

Senator Carter: We are thinking in terms of poverty. Do you really think that is going to take care of poverty? We have places like Toronto and Hamilton where there is no shortage of jobs, yet we have terrific pockets of poverty there, worse even than in Newfoundland.

Hon. Mr. Neary: If the experts and economists and statisticians are right, by the year 2000, 25 per cent of the people in Canada will be producing all the goods and products we need in Canada. It is going to get

progressively worse unless we are prepared to create work. As I said in the brief, jobs—work as we know it today—are disappearing. Machines are replacing hands. Therefore, we have to create work or train people how to spend their leisure time. The emphasis for the future is not on dispensing charity. That day is over. What we have to do, and I think the Government has to do this because private enterprise obviously cannot do it and has failed miserably—we have to create work to replace these jobs that are being wiped out.

Senator Carter: If you wanted so many people working on roads cleaning up the edges, as you say, and doing minor repairs, would this scheme be better done under a Crown Corporation or by subsidizing a road contractor.

Hon. Mr. Neary: Not under a contractor, because he would bring in his machinery. He does not create any jobs. All he is interested in is making a dollar.

Senator Carter: He would not be subsidized if he did not employ people; that is the whole point.

Hon. Mr. Neary: I will use the example of my own district, which is an island three miles from the mainland with a population of 6,000 people. We have been mining on Bell Island since 1895, and then Dosco moved out and left us without an industry. We were stranded there, economically marooned. I claim that instead of paying these people welfare or social assistance that we should dig a tunnel from the island to the local mainland, and they would know that every foot of that tunnel they dug would be for their own benefit. It might take them 10 years to do it, but at least they would be doing something productive. You would not just be handing your money out.

The Chairman: We have heard from the Vanier Institute and others that the Government should be the employer of last resort. That is the effect of what you are saying, is it?

Hon. Mr. Neary: Well, pretty well.

The Chairman: Well, is it or is it not?

Hon. Mr. Neary: Yes.

The Chairman: We have had that concept before us it has been presented by others.

Senator Carter: The present cost sharing is 50-50.

Hon. Mr. Neary: Yes.

Senator Carter: The Act itself does not say that; the 50-50 business came out in an agreement between the province and the federal Government.

Hon. Mr. Neary: Yes.

Senator Carter: Why did you sign up for this 50-50 if it is not satisfactory? Have you got a better concept of sharing than 50-50 or is the 50-50 that you get now together with other fringe benefits satisfactory?

Hon. Mr. Neary: I do not know the history behind the Canada Assistance Plan, and I was not a member of our government when the contracts were signed, I have been Minister of Social Services and Rehabilitation less than a year, and I was only there a few weeks when I reached the opinion, that the Canada Assistance Plan is very unfair. The formula is wrong because it is 50 per cent right across the board for all 10 provinces, which means that wealthy Ontario and rich British Columbia can better look after their needy people than we can in Newfoundland. Under the Canada Assistance Plan they are only allowed to pay each of the 10 provinces a maximum of 50 per cent of the cost of their welfare programs. This is not fair in my opinion. It took us a year to develop this brief, by the way, and I think we have made a strong case. We are asking the Government of Canada, through the Honourable John Munro, Minister of National Health and Welfare, to change the formula so that the Canada Assistance Plan can pay more than 50 per cent to the have-not provinces. Then we will be better able to look after our needy people.

Senator Carter: What is your formula for Newfoundland in your proposal?

Hon. Mr. Neary: The formula for Newfoundland, instead of dollar for dollar it would work out \$1.41 for every \$1.00 that we spend. It could mean another \$8 million for Newfoundland. There would be a ceiling.

Senator Carter: It looks, from what you have said that the federal Government, while working out these agreements, imposed this 50-50 formula. The Act itself does not require it.

Hon. Mr. Neary: I do not know who imposed it, but it is there. It is 50 per cent right across the board for all provinces. I think it is very unfair to the poorer provinces.

Senator Fergusson: Mr. Neary, we are very glad to have you as a witness, and I have found your brief extremely interesting. Some of your suggestions regarding the operation of the Canada Assistance Plan are quite unusual and we certainly will consider them. Amongst the projects you mentioned, I was particularly taken with a suggestion of constructing a tunnel to Bell Island. What would be the advantage of the tunnel after it was built, other than creating work for 10 years or whatever the time was?

Hon. Mr. Neary: Then the island would become a large dormitory community. People could go back and work on the local mainland, whereas now they have to contend with a ferry service and its high rates. They are discouraged. For instance, three miles away where the ferry docks at Portugal Cove, if a man can afford to drive a car he can work in St. John's or he can work in Come-By-Chance or in Holyrood. But a man who lives on Bell Island, even if he owns a car, has to pay the additional expense of the ferry service to get across to get on the road to get to work.

Senator Carter: The ferry service is cut off at midnight.

Hon. Mr. Neary: The ferry service is cut off at 7 o'clock, sir, and this is another sore spot.

Senator Fergusson: Is there a charge for ferry service?

Hon. Mr. Neary: There is a charge. A man who brings his car is charged \$2 a day return \$2 a day for 3 miles to get to work, return.

Senator Fournier: Who operates the ferry.

Hon. Mr. Neary: It is operated by a private company. The ferry is owned by the Department of Transport.

Senator Fergusson: In New Brunswick we do not pay for ferry service across rivers. I am not sure about all of them.

Hon. Mr. Neary: You have had that advantage in New Brunswick for 35 years. I checked that out, too.

Senator Fergusson: It was a nuisance to pay and it amounted to quite a lot of money at one time.

Hon. Mr. Neary: That is right.

Senator Fergusson: In the first paragraph of your brief you say: "Newfoundland is perennially distinguished by the lowest per capita income, the largest families and the greatest birth rate, the highest index of unemployment . . . both at the beginning of and now at the end of 20 years of Confederation in comparison with other provinces."

I realize that Newfoundland has not moved ahead at the same rate as the other provinces.

Hon. Mr. Neary: Do you know what the average per capita income in Newfoundland is? According to the latest D.B.S. statistics it is \$1,467.00.

Senator Fergusson: The average?

Hon. Mr. Neary: That is the average as reflected in the 1968 statistics, which are the latest we have.

Senator Carter: Does that take into account transfer payments from the federal Government?

Hon. Mr. Neary: No, I would not think so.

Senator Fergusson: Even though, in comparison with the rest of the provinces, you still are the lowest.

Hon. Mr. Neary: Yes. These are the facts.

Senator Fergusson: Has there been an improvement in the situation in Newfoundland since Confederation?

Hon. Mr. Neary: There has been an improvement. The gap between the working class people and the wealthy is narrowing but very, very slightly. Here we are with the lowest per capita income of any province in Canada, \$1,467.00, and yet we have more millionaires per capita than any other province. You have poverty right in the midst of plenty.

Senator Fergusson: That is like some of the underdeveloped countries of which we complain they should be helping their poor people.

Hon. Mr. Neary: I agree with you.

Senator Fergusson: I also note that on page 2 you say that "poverty will still be with us in the philosophy—or the lack of philosophy of life which goes with unearned income."

From that statement it would seem you are arguing that there is some sanctity in the works ethic.

Hon. Mr. Neary: Yes.

Senator Fergusson: You believe in this?

Hon. Mr. Neary: Very much so. I think to pay people just to remain in idleness merely erodes their morale.

Senator Fergusson: What is going to happen if the technicological advances are so great that there just is not work for people to do?

Hon. Mr. Neary: Well, this is what we are saying. The Government should create the work. There is so much to be done in this country.

Senator Fergusson: They must be working, according to your philology.

Hon. Mr. Neary: They have a choice. They either can go to work or live on social assistance, but I do not think the assistance should be the same.

The Chairman: What do you mean by the word "work"?

Hon. Mr. Neary: Well, as I have defined it here, by landscaping Trans Canada Highways, cleaning up the beaches of this country, by eliminating pollution, by reforestation, by doing all sorts of projects that are not competitive with labour or business or industry. I could think of hundreds myself, and I am sure the members of this committee could think of dozens and dozens that need to be done in their own towns and communities.

Senator Sparrow: Would this stand true in the future with your figure of three-quarters of the population without work, as such, because of changes? Would you extend that program so that you would have, in fact, three-quarters of the population at that time doing this type of work?

Hon. Mr. Neary: It is either that or we have to educate the next generation of people how to spend their leisure time. This is a big problem for the future. In the United States the economic experts and statisticians tell us that by 1985 only two per cent of the American population will be required to produce all the goods needed in that country. This is a frightening thing when you think about it, but these are the facts. I have not made them up.

Senator Fergusson: Do you think that in the United States you would be able to get the "non-employed" to work on the type of projects you have referred to such as cleaning up beaches, and so on?

Hon. Mr. Neary: Well, President Roosevelt was successful in doing this back in the thirties. It was practically the same thing we are talking about here. It is either that or another system. I am sure that none of us wants another system of government in this country.

The Chairman: Well, while we are at it, can you think what another system could do to improve the situation?

Hon Mr. Neary: No. I think that young people today are very disappointed and discontented. They are anti-establishment and disenchanted, but I think they would be more discontented and more disenchanted with another system. Therefore, we have to get somewhere in between. As I said in the beginning, we have to be flexible, we have to have fresh new ideas, we have to develop new concepts and make a new approach. If we do not, then we might fall into the other way of life which none of us wants.

Senator Fournier: Mr. Chairman, two questions I was going to ask have been answered. I was interested to hear from the witness how they arrived at this 50-50 agreement. This has been thrashed out. Senator Fergusson just asked a question about income. Poverty will be with us because of the inadequacy of life with the unearned income. I think we got a satisfactory answer on that. This is quite general across Canada.

Now, I would like to ask some questions about the island itself. Do people employed in paper mills receive a minimum salary? How are they treated?

Hon. Mr. Neary: People employed in paper mills and the mining industry in the province are probably the highest paid. They are paid at the same rate as employees in similar industries across Canada.

Senator Fournier: Do you have many employees working on the Churchill Falls project in Newfoundland?

Hon. Mr. Neary: Right at this moment I would say—this would have to be a guess—3,000. Here again, most of these 3,000 are semi-skilled or unskilled. When the project is completed a year from now then what happens? This is not a continuing thing. When the construction stage is over, then they become

unemployed. When their unemployment insurance benefits terminate, they are thrown back on provincial welfare.

Senator Fournier: How many people would be employed in or live off the fishing industry.

Hon. Mr. Neary: Roughly 12,000 or 13,000, roughly.

The Chairman: Out of a total population of how many?

Senator Carter: Your work force?

Hon. Mr. Neary: I do not know. I could not make a guess on it right now. The information is in here if I had time to dig it out.

Senator Fournier: What has been the result of the CNR doing away with passenger service and replacing it with bus service? Are the people satisfied with that type of service or was it a setback to the economy?

Hon. Mr. Neary: I do not think it was a set back to the economy. I think that any province would give its right arm to have the bus service that we have in Newfoundland today. There was some unemployment created as a result of the discontinuance of the train service, but the impact has not been all that great. The buses are doing the job, if that is what you mean. There are more people travelling by CN bus than travel by train.

Senator Fournier: Is there a time reduction from one point to another?

Hon. Mr. Neary: Yes. It is a speedier method of transportation. There was a lot of sentiment and nostalgia expressed over the train service, but ultimately it had to go.

Senator Fournier: You mentioned several times in your statement that your people were taxed to the limit.

Hon. Mr. Neary: Yes.

Senator Fournier: So are the people of my province, New Brunswick, and the rest of the Atlantic Provinces.

Hon. Mr. Neary: That is right.

Senator Fournier: Then you say that the only people who can do anything are the federal Government?

Hon. Mr. Neary: That is right.

Senator Fournier: People across Canada are saying the same thing. They feel they too are taxed to the limit. How are we going to work this out?

Hon. Mr. Neary: Well, sir, I do not know. I am not a tax expert or an economist, but it will have to be worked out somehow. I do not feel we should just give people more and more handouts. I think we should put money in their pockets so that they can become consumers, and in this way more money flows back into the treasury. Right now all money being spent on social assistance programs across this country is non-productive. I think we should turn that into productive dollars. Then these people, apart from having their morale improved, become consumers. If we are going to keep increasing the number of products coming off our assembly lines, then people will just have to be provided with the hard cold cash to buy these products, otherwise the whole economy will collapse. I do not know if that makes sense to you, sir?

Senator Fournier: It does. I hesitated to say it myself, but I am pleased, you said it because that is the way I feel. We are not going to build this country by paying people to stay home.

Let us talk about your training schools. When people graduate as electricians, plumbers or motor mechanics—I am not talking about university graduates; I am not worried about them—I suppose they have to leave Newfoundland to find work?

Hon. Mr. Neary: I will say this to you, sir, in my opinion training and retraining programs do not create any new jobs. In today's changing society and changing world, by the time you get people trained in a specific trade, the job you trained them for is obsolete. This is another beef I have, with the Canada Manpower Training Program. They have some good men running the show, but I do not think they are training people for the right type of work. They are sticking to the traditional jobs and they are not going out and researching the employment market.

Senator Fournier: The need.

Hon. Mr. Neary: To see what the needs of employers are. I will give you one example. The vocational

schools and technical colleges right across Canada are training welders by the thousands, and they are saturating the market. They should be training people for jobs where there is a shortage of skilled workers.

Senator Sparrow: What jobs are you suggesting are obsolete now? They may be overtraining, but I cannot see where jobs for electricians or welders are obsolete. Those jobs are not disappearing. Can you give me some examples.

Hon. Mr. Neary: You just mentioned two yourself, sir. I would venture a guess that right across this nation today there are plumbers and electricians, master mechanics and welders on social assistance rolls.

Senator Sparrow: Are the jobs diminishing or are they training too many people for particular jobs?

Hon. Mr. Neary: The jobs are diminishing. It is a combination of two things. The jobs are diminishing because of technological advances—machines replacing hands—and there is overtraining in certain categories. This is my opinion.

Senator Fournier: You are right, sir. I agree with you. I think I will pass to somebody else.

Senator Inman: I was interested in this statement on page 1:

A program of consumer education is under preparation by our department's field staff with the purpose of helping clients to secure better value for their allowances.

I think that is a good idea. Would you mind enlarging on that?

Hon. Mr. Neary: Yes. As a matter of fact, this is something I am very proud of because if we cannot get more money to put in the hands of needy people, then the only other alternative is to try to educate these people as to how to stretch their dollar. Right at this moment a booklet that was prepared in my office is being printed in the Confederation building. This booklet gives people tips on consumer buying, subsistence farming, subsistence fishing, hunting, how to make preserves, sewing, mending, cooking, and so on. It was put together rather hurriedly because I only developed the idea a few weeks ago, but I think it is going to be of tremendous value to people on social assistance. As a matter of fact, I have had inquiries about this booklet from people on low incomes.

People are under tremendous pressure. The advertising campaigns and so forth that are put on today really suck people in. So this is just a common-sense approach of how people can stretch their dollars, because obviously we cannot increase pay rates at this time.

Senator Inman: I was very interested in this because I have always advocated this sort of thing, a consumers' association. I was an official of this in my own province.

In paragraph 2 you say "poverty will still be with us in the philosophy—or the lack of philosophy—of life which goes with unearned income." You appear to be arguing the sincerity of the work ethic.

Is this not the time in the evolution of Canadian society, in the face of dynamic technological advancement, that the validity of work has to be challenged?

Hon. Mr. Neary: I did not follow that?

Senator Inman: That the validity of the work ethic be challenged? Do you think we should go on with that? In a way I think you answered that in reply to a question by Senator Fergusson.

The Chairman: Well, the question was whether the work ethic, as we normally understand it, is applicable today in the sense that we originally understood the work ethic? The workers starve.

Hon. Mr. Neary: I think I answered that by saying that in 20 or 25 years from now works will be completely different.

Senator Inman: Yes. What efforts has Newfoundland made to retrain individuals on social assistance in an attempt to break this self-perpetuating aspect of poverty? What are you doing?

Hon. Mr. Neary: Up to less than a year ago our field staff had been so busy dispensing social assistance and was so bogged down in paper work that they really did not have time to get out and do the counselling they were supposed to do. Since I became minister of my department I have been trying to shift the emphasis to rehabilitation. That is why we just changed the name. We just took this new name, "Department of Social Services and Rehabilitation". The bill changing the name went through the Legislature just a few days ago. What I am trying to do, and you might notice I mention it in the first page, is to phase in the cheque

system. The food order and voucher system is on the way out and is being replaced by the cheque system. I hope to get the whole thing into a computer so that I can get the field staff out into the homes and lay the emphasis on rehabilitation rather than just dispensing social assistance with no advice, no counseling and no way to try and rehabilitate people. Does that answer the question?

Senator Inman: Yes, thank you. You say that there is no lack of work to be done. In your province, apart from this tunnel you speak of, what work do you think could be created?

Mr. Neary: Landscaping the 564 miles of Trans Canada Highway, reforestation, cleaning up beaches, dozens and dozens of things.

Senator Inman: I have travelled through your province by train. You have a lot of difficult terrain. Do you think any of that land could be reclaimed?

Hon. Mr. Neary: Sure. The bog land. As a matter of fact, we do have a bog land reclamation program under way right now on an experimental basis. A lot of this land can be reclaimed. I agree with you. This could be another project. That is a very good idea. Maybe we should put you on our committee.

The Chairman: We cannot spare her from this committee.

Senator McGrand: She was on the Senate, Land Use Committee. We went over this subject 12 or 13 years ago.

Senator Inman: When travelling through Newfoundland I have often wondered whether the province could use a drainage system under a cultivation program.

Hon. Mr. Neary: We have been experimenting with it for years now, and I think it would be a good project. You create pasture land for cattle and for growing vegetables.

Senator McGrand: In 1957-58 during the sitting of the Land Use Committee a witness from Newfoundland outlined this thing at some length—the drainage of bogs to produce pasture and so on. I have never heard anything about it from that day to this. Do you know whether any progress was made with it?

Hon. Mr. Neary: In my opinion the experiment was 100 per cent successful, but for some reason or other the Department of Agriculture has not been able to sell the idea to our people. The program proposed here has to be sold to the people of Canada.

Senator McGrand: This brief this morning is something new. We have not heard anything like this before, as far as I can recall, in that it makes reference to the development of your natural resources and the development of the personal wealth of people.

Hon. Mr. Neary: Right.

Senator McGrand: Now, poverty and prosperity do not come quickly nor do they disappear quickly. At least in two of our Atlantic Provinces a lot of the poverty and low income has been due to the inadequate development of natural resources.

Let us think about that in the interests of small people. If we are going to fight poverty in the future, these natural resources must be developed properly. We must start now if we are going to fight poverty in the next generation.

Getting back to this tunnel idea, when I read about it I thought it was a rather ridiculous suggestion. I thought you were planning only to give work to idle hands, but I presume you have done some research about the benefits of spending money now to build a tunnel in order that people would be able to get cheaper transportation. On balance you think it is worth it, is that right?

Hon. Mr. Neary: There is going to be a fair-sized population on that island for a good many years to come. All we will be doing for the next 10, 15 or 20 years is giving these people social assistance to remain in idleness. The next generation will be the same, and the first thing you know it will be the same for a third generation. I have researched this very, very carefully because it happens to be my own district. I think it would be far better if these people were paid a living wage to build a tunnel instead of giving them handouts—social assistance. Besides, the Government has a big investment in that community, sir. There is a big vocational school there, and a hospital that cost \$1 1/4 million. There are also some beautiful churches, schools and homes there. So, there is a public investment and a private investment which could go down the drain.

Senator McGrand: I would like to discuss your forest, fishing, and mining wealth. All down the years

we have regarded the fishing industry of Newfoundland as the mainstay of the economy, but there are fewer and fewer hands employed in that industry all the time. Apart from that, I understand your Bell Island iron ore is practically useless to you, today.

Hon. Mr. Neary: Yes. The industry has been closed down since 1966.

Senator McGrand: You have two other areas. You have the mines at Buchans?

Hon. Mr. Neary: Yes, sir.

Senator McGrand: And the mines at Kelp Cove.

Hon. Mr. Neary: No, Kelp Cove is closed.

Senator McGrand: How many men were employed there?

Hon. Mr. Neary: Around 230 or 240.

Senator McGrand: Buchans is still operating?

Hon. Mr. Neary: Yes, Buchans is still operating.

Senator McGrand: How many men are employed there?

Hon. Mr. Neary: I think they employ 450 to 500 men. Perhaps it is a little higher in the summer time.

Senator McGrand: As to the future of mining of the mainland of Newfoundland—I am not speaking about Labrador—there is not very good prospects of it providing a major source of income is there?

Hon. Mr. Neary: While I agree with you, sir, we must forge ahead and develop our natural resources. When you are talking today about creating a new industry, you are really talking about machines and not hands. I agree that technology has moved into the fishing industry, but only on a limited scale. If there is an industry left on the North American continent today that is a great potential employer, it is the fishing industry in Newfoundland, because people can still do things with their hands.

Senator McGrand: You can do the same about forestry too.

Hon. Mr. Neary: That is right.

Senator McGrand: You are our first witness who has mentioned the development of forestry. I am not familiar with the forest wealth of Newfoundland, but there must be areas there that are as productive as areas in New Brunswick.

Hon. Mr. Neary: Of course.

Senator McGrand: I am going back to your comments about the new-job concept. Your approach is new; no one ever mentioned this before.

Hon. Mr. Neary: Well, Joey Smallwood mentioned it three years ago.

Senator McGrand: I mean, by people who have come before our committee.

Hon. Mr. Neary: It is not an original idea, sir. Our premier mentioned it at a Federal-Provincial Conference about three years ago.

Senator McGrand: I am going to go back further than that. I heard it mentioned at the Federal-Provincial Conference in 1950.

Hon. Mr. Neary: You are probably right.

Senator McGrand: I was at that conference. I was Minister of Health and Welfare for New Brunswick at that time. You mentioned something new in this approach, the development of people.

Hon. Mr. Neary: Yes.

Senator McGrand: The day is not far away when only 25 per cent of the people will not use machinery.

Hon. Mr. Neary: That is right.

Senator McGrand: Do you consider this enforced idleness should be met with a program to develop people socially, culturally and emotionally so that they can live in this environment?

Hon. Mr. Neary: Sure.

Senator McGrand: People will have to be employed to do this, is that not so?

Hon. Mr. Neary: That is well put, sir.

Senator McGrand: Research should be done in this very field today.

Hon. Mr. Neary: I tell you, the next generation will never forgive us if we do not face this problem now.

Senator McGrand: One hundred years ago most of people in the world spoke only one language. By the end of the next century, a person who can speak only one language will be as illiterate as those at the beginning of this century, who only knew their three Rs. Is that not right?

Hon. Mr. Neary: That is right.

Senator McGrand: They have got to learn to live with the situation that is going to develop. We cannot stop it. Would you just go ahead and tell us what you have in mind and outline this new concept a little more?

Hon. Mr. Neary: I do not know that I can add anything to what is in the brief and what you have already said. I think you have raised a very important point because 99 per cent of the trouble in the world today is lack of communication. The trouble between labour and management is a breakdown in communications. The trouble on university campuses right across North America results from a breakdown in communications. Because television brings news of world happenings and developments right into your living room, we seem to be getting a little closer together. If we are going to eliminate poverty in the world, and I think this is what you are getting at, then my concept, which is to take a fair share of Canada's gross national product and distribute it among our needy people—that concept can apply to the whole world eventually. The only way to solve the problem of poverty right across the world is to take the gross globular product and divide the world population into it. Of course, as you say, people will be speaking the same language. This ultimately has to happen. Anyone who does not think along these lines is stupid. He is just a fool. We always have to be thinking of new ideas, and we have to train people how to spend their leisure time in the future. This is a big problem.

Senator McGrand: How to live with each other.

Hon. Mr. Neary: That is right.

Senator McGrand: Our problem is not outer space; our problem is inner space among people.

Senator Fournier: Sir, you have mentioned a lack of and a breakdown of communication. Do you see a

difference between the lack of communication and the breakdown? Is that the same thing?

Hon. Mr. Neary: I suppose it is practically the same thing. A lack of communication could mean there may be partial communication. A complete breakdown is what causes wars and trouble on university campuses, strikes and labour disputes, and so on. You have to have continuous dialogue. People have to keep talking around the conference table. People have to keep communicating with one another.

Senator Fournier: It seems to me the facilities of communication are pretty well established.

Hon. Mr. Neary: The facilities, if we use them properly.

Senator Fournier: It is the breakdown that causes the trouble.

Hon. Mr. Neary: You are quite right, sir. Prime Minister Trudeau has praised radio, newspaper and television as a means for presenting good ideas to Canadians, and he has repeatedly said that communication through these media can come close to the ideal of direct democracy, as long as the Government—and this is the important thing—gears itself to handle the feedback from these people.

This hearing here today is just a forum—the press will put the idea across to the public. If you believe in this idea, you have to sell it to Canadians and you have to get their reaction to it. This is the only way it can be successful. In other words, the nation is just a theatre, a forum, and the news media have to disseminate the information. We also have to recognize the feedback.

Senator Fournier: Is your sale of fish products increasing every year?

Hon. Mr. Neary: In my opinion, sir, the problem with the fishing industry in Newfoundland for 400 years has been a failure to market the product. Now, the Government of Canada, as you know, has set up the Saltfish Marketing Board, which is a good thing. It will help the fishing industry of Newfoundland, but it is just an infant step. The next move would be to set up a fresh fish marketing board to sell fresh fish.

We have to improve the quality of the Newfoundland product. That is all part of the marketing mix. Then we have to go out and sell it, which is what the fish merchants of Newfoundland have never done. They have waited for traditional buyers to beat a path to their door instead of trying to sell the product and trying to make fish a prestigious food. In my opinion, this has been the weakness in the fishing industry in Newfoundland for 400 years, and it is only now that they are beginning to recognize this.

Senator Fournier: You said you had approximately 12,000 people employed in the fishing industry.

Hon. Mr. Neary: There are probably more. There are probably 20,000 part-time and full-time fishermen.

Senator Fournier: How do you think that number could be increased with a proper organized sales market? Would you reach 30,000?

Hon. Mr. Neary: In my opinion, yes. That figure could be easily reached. All they have to do is go out and get the markets and sell the product. We have the fish right at our doorstep, and we have the people. Even if they do not have a long liner or big schooner, at least they can take a little boat and go out and catch some fish and supplement their social assistance. At least, they would be producing something. If they catch one fish they would be adding to the gross provincial product. You have to change people's attitude in order to get them to do this.

Senator Fournier: Are the draggers hurting the small fishermen?

Hon. Mr. Neary: Yes, sir, they are. Again, I must congratulate the Government of Canada for the gigantic step they took recently to try and force the 12-mile limit. I do not know that are going to be 100 per cent successful because I understand that the officials in Washington are not at all pleased with it. The Government of Canada should stand firm on this issue, because they are absolutely right. I agree that the draggers are killing the small fishermen in Newfoundland. They are tearing up their gear and nets and destroying their property.

Senator Fournier: Do they come within the 3-mile limit, quite close to shore?

Hon. Mr. Neary: We have had reports of draggers coming inside the 3-mile limit. As a matter of fact, we have had a couple of prosecutions in recent years of foreign draggers operating inside the 3-mile limit.

Senator McGrand: Are there any Newfoundland draggers there or are these Russian and Norwegian and other foreign draggers?

Hon. Mr. Neary: Most of the draggers we are talking about are foreign draggers or Canadian draggers, but not Newfoundland based.

Senator McGrand: When you say Canadian draggers, you mean operated out of Halifax?

Hon. Mr. Neary: Yes, sir, that is right. Some are Canadian draggers, unfortunately, and Canadian skippers should have better sense.

Senator Fournier: One last question, sir. Is your island invaded by credit cards?

Hon. Mr. Neary: Yes, sir.

Senator Fournier: What is your opinion of credit cards in the hands of the average person?

Hon. Mr. Neary: I think it is very dangerous. Although some people may disagree with me, I think Newfoundland is contributing to inflation. People who commit themselves financially and who tie themselves up—bind themselves for years—are contributing to inflation whether they are in Newfoundland or British Columbia or here in Ontario. This is my opinion. I think the credit card system is the greatest curse that has ever been invented and used on mankind.

Senator Fournier: You would agree that they are handed out too freely?

Hon. Mr. Neary: Yes, sir. I do not know if the system would work if limitations were imposed, but as it is now I think it is a great curse. Credit and credit cards should be legislated out of business.

Senator McGrand: Going back to saltfish, I had the impression that the saltfish industry was going down, that people did not buy saltfish.

Hon. Mr. Neary: Yes, you are absolutely right.

Senator McGrand: You depended on the Latin countries to take the saltfish and that market was lost. I think I am right that in the old days Newfoundland saltfish, whether in good shape or poor, went to the West Indies to feed the slaves. That was part of the Newfoundland saltfish industry.

Hon. Mr. Neary: That was probably when I was in knee pants, but you are absolutely right.

Senator McGrand: You were not in knee pants; you were not born in the days of slavery in the West Indies.

I have the impression that the people who operate the saltfish industry never met the challenge of producing a saltfish product that overcame and created a new market for it.

Hon. Mr. Neary: I am in complete agreement with you. In the West Indies today they have supermarkets. They are getting a more sophisticated way of doing business. The fish merchants in Newfoundland who have controlled the fish industry for 400 years dumped everything they could get into the West Indies and into the foreign market, and they killed the market. Today you have to make a nice attractive package with a label on it to sell in the supermarkets.

I have read reports about Newfoundland fish being dumped in old rundown warehouses in the West Indies, where people have walked on it. They are getting more sophisticated and educated in the West Indies, so can you imagine walking into a supermarket and seeing a piece of Newfoundland saltfish lying on the floor? This is all part of the marketing mix.

Senator McGrand: Is there not a future for sun-dried cod? I think there is still a future for that product if it is properly marketed.

Hon. Mr. Neary: You are absolutely right, sir.

Senator McGrand: Are the fishermen from Europe, the Russians, the Portuguese, the Poles and Norwegians, overfishing your waters?

Hon. Mr. Neary: Yes, sir.

Senator McGrand: The Portuguese have been fishing the Grand Banks for 300 years. Are they creating as big a problem as are the Norwegians and Russians, and

son on? They operate a different type of fishing, do they not?

Hon. Mr. Neary: The Portuguese have been very friendly. We have been very friendly with the Portuguese down through the years.

Senator McGrand: They are not a problem to you, like the others?

Hon. Mr. Neary: The Portuguese have been most co-operative. If any group of foreigners have been cooperative, it is the Portuguese. We have extremely good relations with the Portuguese. They bend over backwards not to upset the fishing industry of Newfoundland. I do not think it is the Portuguese who destroy the gear and the nets.

Senator McGrand: There is a depletion of fish along the Labrador coast and Newfoundland, is that not correct?

Hon. Mr. Neary: We are told that by the experts, sir, but I cannot verify it. It is not my field, to be honest with you.

Senator McGrand: Getting back to your welfare expenditure of \$22,400,000, this includes your share and the federal Government's share?

Hon. Mr. Neary: Yes.

Senator McGrand: We talked about homes for children, homes for old people, and so on. That is not included in that figure?

Hon. Mr. Neary: No.

Senator McGrand: This is the money you pay out in what you call welfare to needy families.

Hon. Mr. Neary: That is right—handicapped people, widows . . .

Senator McGrand: Newfoundland has a population of about 450,000, I believe?

Hon. Mr. Neary: 500,000, sir.

Senator McGrand: They will spend at least \$23 million this year, maybe more?

Hon. Mr. Neary: Yes.

Senator McGrand: In the United States, with 200 million people, they spend up to \$32 billion for welfare. I am not very good in mental arithmetic.

Hon. Mr. Neary: One of my weaker subjects, too, sir.

The Chairman: You are going to ask the percentage?

Senator McGrand: Yes.

The Chairman: What he is telling you now is that 8 or 9 per cent of your total budget goes to welfare. You said that your total budget was \$300 million, of which \$22 million goes to welfare.

Hon. Mr. Neary: My department's budget is \$44 million. What is the proper percentage of that?

The Chairman: Ten or 12 per cent.

Senator McGrand: If the Americans are spending that proportion of money on welfare, what would it cost them? It would cost them more than \$32 billion; would it not?

The Chairman: I do not know about billions, but the percentages are these: the British is about 11 per cent, the Canadian 9 to 10 per cent, and the American percentage is just about the same as the Canadian.

Senator McGrand: There is a little distortion there. The Americans are spending their money on moon shots. What I would like to know is if United States was spending on welfare in the same proportion to what Newfoundland is spending on welfare, would not their total amount spent on welfare be more than it is today?

Hon. Mr. Neary: Yes, sir, I think you are probably right.

The Chairman: No, you cannot be right. Canada spends about 10 per cent.

Senator McGrand: Of its budget.

The Chairman: For all welfare purposes.

Senator McGrand: But we do not have any moon shots and all this expense in Vietnam?

The Chairman: They are separate and apart. The Americans on a national level spend about the same as we do. The British spend a little more.

Senator McGrand: The Americans spend a lot of their budget on Vietnam and on their space program.

Senator Inman: I would like to speak about the removal of people from the outports. Would that help the poor to a better way of life. Are they adapting well to change and are they costing the province more in welfare or less?

Hon. Mr. Neary: They are costing the province less in welfare. We just finished researching these figures, by the way, because there have been charges and counter charges made that we are just moving people into communities where they become non-productive. They are moved from fishing communities into non-productive communities. The figures reveal, surprisingly enough to our opponents, that the number of people on short-term assistance has decreased since they moved and resettled.

Senator Inman: Has decreased?

Hon. Mr. Neary: Has decreased in the short-term category.

Senator Inman: In those little outports people lived on fish they caught and sold themselves. By removing them have they lost that way of making some money.

Hon. Mr. Neary: In some cases they have. One example is Arnold's Cove, which has been the subject of controversy on national television. There is no place or community that I know of in North America that has been more photographed than Arnold's Cove. We made the statement that the number of welfare recipients on short-term assistance had decreased under the resettlement program, and the C.B.C., who does not believe anybody . . .

The Chairman: Nobody believes them either, so it does not make any difference.

Hon. Mr. Neary: They sent a man to Arnold's Cove to confirm or deny this fact, and they had to admit that we were correct, that the number of short-term

recipients in Arnold's Cove had decreased. That was rather a shock for the C.B.C. because they were hoping to make a national issue out of it.

Senator Inman: There are some small industries there. I remember buying a handbag in a Gold Sail place. Somebody told me that it has been closed.

Hon. Mr. Neary: Yes, it has. You are talking about a subject now that is very dear to my heart, because Newfoundlanders have a natural talent for doing things with their hands. A lot of these people on social assistance who are unemployed or getting unemployment insurance during the winter, who have a natural talent with their hands, should be making souvenirs for the thousands and thousands of tourists that come to Newfoundland in the summertime. Instead of that—and you find this right across Canada—you go into a store and you buy a souvenir that is made in Japan or Taiwan. I have been trying to encourage my own constituents on Bell Island to do this. I have to be a little patriotic when I talk about my own district, but I have been trying to encourage this right across the province. There is no reason in the world why those Newfoundland people who have time on their hands could not supply enough souvenirs to take care of the tourists.

Senator Inman: The Gold Sail people were making a beautiful product.

The Chairman: Why is it not being done Mr. Neary? That is the next question?

Hon. Mr. Neary: This is one of the self-help projects I am trying to cultivate right now. Again, you have to do a selling job. Senator McGrand was talking about our fishermen. They are businessmen in their own right, although they have never realized it. A fisherman has always felt that he was a slave to the merchant. When you look at him he is a businessman, but he has never been trained to think businesswise. He has never had any training in business. He has never had any training in bargaining.

I know several people who really have a talent for making things with their hands. I have said to them, "Why don't you sit down all winter and fill up your basement with souvenirs and then sell them to Bowrings or some big business firm to be resold to our tourists?" You know what their answer to me was? "I'll make the souvenirs, but who is going to sell them

for me?" Immediately a mental barrier goes up because their minds are not market-oriented. They say, "I can make all kinds of souvenirs, but I can't market them."

Senator Inman: Do they not have a shoe factory at Holyrood?

Hon. Mr. Neary: The shoe factory is in Harbour Grace. That is only operating part-time right now. You have to educate people and change their attitude.

Senator Inman: I was just wondering if those things were going and why they were not going.

Senator McGrand: I have read a lot about industries being set up in Newfoundland and then failing. You hear a lot about that.

Hon. Mr. Neary: Yes, sir.

Senator McGrand: I still hear about these massive injections of capital that are necessary to lift up the Atlantic economy. How many failures did you have when you were developing a natural resource?

Hon. Mr. Neary: To my knowledge we have not had any failures in developing a natural resource. You never hear of our successes, only of the failures. We have had some really dramatic successes in Newfoundland—Iron Ore Company of Canada, Labrador City, the Wabush Mining Company in Wabush, Churchill Falls, the Baie Verte Asbestos enterprise, and the oil refinery at Holyrood. I could name dozens and dozens, but you always hear of the ones that fail, never the ones that are successful. Just like in Nova Scotia, all you hear about is the heavy water plant.

Senator McGrand: You would not call the oil refinery a development of a natural resource. You brought the oil in. I mean where you are developing a natural Newfoundland resource you have had very few failures.

Hon. Mr. Neary: That is correct, sir.

Senator McGrand: That is what I am talking about when I say that the development of a natural resource is the first priority if we are going to fight poverty.

The Chairman: Mr. Minister, in answering Senator Inman you talked about souvenirs.

Hon. Mr. Neary: Yes.

The Chairman: You said the work could be made available and could be done by these people. Are you not asking a little too much when you ask these people to do the marketing? Is that not a function today of government? Marketing requires specialization. These people are quite right in saying, "I can make it but I can't market it." Do we not market eggs, butter and all sorts of products under marketing boards? Why do they not have marketing facilities under some department of government?

Hon. Mr. Neary: Senator, you are absolutely correct. I could not agree with you more. It is a good point. I do not think you would need to set up a specific marketing board like the Saltfish Marketing Board, but at least somebody in the Department of Community and Social Development could undertake to do the marketing for them. As a matter of fact, I offered to do the marketing for these people whom I know. I offered to do the marketing myself.

The Chairman: Mr. Minister, even the business of marketing fish, particularly in the West Indies and other parts of the world, has been going on for a great number of years.

Hon. Mr. Neary: Yes.

The Chairman: We have been told time and time again—and from what I have seen there is a great deal to it—that we are now packaging, labelling and marketing our fish in a most attractive fashion.

Hon. Mr. Neary: We are now, yes. We finally came to the realization that this had to be done. We are starting to do it, now. The Saltfish Marketing Board which was set up recently by Ottawa will help Newfoundland. I have high hopes for it.

Senator McGrand: With respect to the depopulation of the outports and taking people off the island—Arnold's Cove is an example, and I am not just familiar with all of them—I am interested in that northern peninsula that runs up to St. Anthony. Now, that peninsula would be scarce in natural resources. You would not have much lumber on that, would you?

Hon. Mr. Neary: Well, we have a big lumber industry starting right now at Hawkes Bay.

Senator McGrand: That is pretty far up?

Hon. Mr. Neary: Half way up the coast, roughly. They have a good lobster fishery there, and a good salmon fishery and cod fishery. My colleague, the Minister of Mines, Agriculture and Resources, just presented a white paper in our House of Assembly on that whole coast developing a national park in the Bonne Bay Gros Morne area, and developing the historic sights. He put this all together in a package, which is one of the most significant documents that has been produced in Newfoundland since Confederation. It deals with this coast you are talking about.

Senator McGrand: I had an idea they were losing their young population more than any other part of Newfoundland.

Hon. Mr. Neary: They are losing their young people, there is no question about that. This happens in all the smaller communities. The young people move out. They are not going to stay there.

The Chairman: Mr. Minister, am I right in suggesting that the work force in Newfoundland is about a quarter of a million, two hundred and a quarter to 250,000?

Hon. Mr. Neary: I do not think it is that high, senator.

The Chairman: It would be 200 anyway?

Hon. Mr. Neary: No, it is only a little over 100,000.

The Chairman: A working force of a little over 100,000?

Hon. Mr. Neary: I believe so, I would have to check that.

The Chairman: According to page 14 of the paper you presented to the Minister of Health and Welfare, of the four Atlantic Provinces—Newfoundland, New Brunswick, Prince Edward Island, and Nova Scotia,—Newfoundland had the highest weekly wages and salaries in the years 1965, 1966, 1967 and 1968.

Hon. Mr. Neary: Yes.

The Chairman: How do you reconcile that with a comparative percentage of welfare cases per thousand

population in your province and the other provinces? It is somewhat difficult to understand this.

Hon. Mr. Neary: This probably relates to the question asked by Senator McGrand. In our mining industry and pulp and paper industry, and let me see what other industries I could mention . . .

The Chairman: Here they are.

Hon. Mr. Neary: Yes. I would say this figure is based solely on these categories.

The Chairman: But, they include every category that is available in any part of Canada.

Hon. Mr. Neary: The mining industry in Newfoundland would be extremely high. They pay good wages. So do the paper mills.

The Chairman: The number of welfare cases per thousand population in your province is higher than it is in any other province in Canada.

Hon. Mr. Neary: Yes. This gets back to what I said earlier, you have extreme wealth and in the middle of it you have extreme poverty.

The Chairman: But, your wealth is really extreme at the very top.

Hon. Mr. Neary: During the construction at Churchill Falls an ordinary labourer can earn take-home pay of \$1,000 a month.

The Chairman: Will it last?

Hon. Mr. Neary: It will only last while the construction period is on. This is what drives the figures sky high.

The Chairman: Do not forget that these figures are for four years, 1965 to 1968. Has this been going on for four years?

Hon. Mr. Neary: No, for two years.

The Chairman: You were the highest each year. There is another problem I thought I would discuss with you. You said that a family of four on welfare would receive about \$230 a month.

Hon. Mr. Neary: Long-term.

The Chairman: To meet the needs.

Hon. Mr. Neary: It is much less for short term.

The Chairman: Put the head of a family of four to work for eight hours a day at \$1.10 an hour, which is your minimum. That comes to \$44, a week, does it not?

Hon. Mr. Neary: Yes.

The Chairman: Multiply that by four and we get \$176.

Hon. Mr. Neary: Yes, sir.

The Chairman: So we are \$54 short?

Hon. Mr. Neary: Right.

The Chairman: He can get \$54 more on welfare.

Hon. Mr. Neary: On long-term assistance.

The Chairman: Yes. Short-term is only emergency?

Hon. Mr. Neary: That is right.

Senator Fournier: A 20-year emergency.

The Chairman: No. He stretched it a bit.

Hon. Mr. Neary: No, sir. There may only be a handful of people, but this handful have been on short-term for 20 years. I would say we have a handful in Newfoundland who are third generation.

The Chairman: Don't be ashamed of it. You are not unique. We have them right in Ontario.

Hon. Mr. Neary: But it is one reason we should be concerned.

The Chairman: We are concerned. I am indicating to you here that here is a man who could work and yet be \$54 short of what he could get on welfare.

Hon. Mr. Neary: Right.

The Chairman: That is a working poor man. I am asking you whether you are doing anything to keep the man employed, rather than let him stop his work and go on welfare? What I am saying to you, in effect, is this: if he is earning \$176, you could assist him to the extent of \$54.

Hon. Mr. Neary: Yes.

The Chairman: If he is not working, it costs you \$230.

Hon. Mr. Neary: Right.

The Chairman: So it pays you to keep the man employed. Are you doing much of that?

Hon. Mr. Neary: Well, in my opinion, what we are doing to people on short-term assistance, is morally wrong. We are not allowing them any income. They cannot earn any income. Whatever they earn is 100 per cent deducted from their entitlement.

I have made a new innovation, recently, and I am now allowing them legitimate expenses such as transportation, uniforms, eating out, and that sort of thing. I am allowing legitimate expenses in earning that income. We are now basing their entitlement on their net income instead of on gross income as was previously the case. I agree with you that this is still not right. A man should be allowed to earn so much and still qualify for his social assistance.

The Chairman: Mr. Minister, they will give you a deduction, in the circumstances, of at least \$40 to \$50 in most provinces.

Hon. Mr. Neary: That is right.

The Chairman: And earnings above that on a 50 per cent basis.

Hon. Mr. Neary: We do not do it yet.

The Chairman: Do it. It is about time. It has to be done.

Hon. Mr. Neary: I have only been Minister of this Department for eleven months, sir.

The Chairman: Well, it looks as though you are doing very well. You have a welfare system, and of the

people who have come before us not one group from any province has had anything to say for the welfare system at all. They say it is not working, that it is a mess.

Hon. Mr. Neary: If you want my personal opinion senator, it is just a clumsy way at the moment to look after those who are handicapped and unemployed through no fault of their own. We need something in place of it.

The Chairman: You have given us the impression this morning, and I am delighted that you have, of thinking about this thing and presenting fresh ideas. In damning the welfare system people have said that it breaks up homes, that the amount is inadequate, that it penalizes people who work, and that it robs the recipients of dignity.

Hon. Mr. Neary: Yes.

The Chairman: What new thoughts do you have as to how we can get away from this, aside from building a tunnel, and so on? You said earlier that President Roosevelt introduced a public works program in the thirties and it worked very well. Whether we are at the same stage or not I do not know, but in view of the failures that have been experienced what new thinking have you had? How can you help us?

Hon. Mr. Neary: The only thing that I can say is that at the moment it is the only machinery we have to deal with the handicapped and people who are unemployed through no fault of their own. It is a clumsy way of doing it, mind you, but it is the only machinery we have. We have to start developing fresh new ideas. We have to be flexible and willing to experiment with the type of proposal that is in our brief. I do not know what else I can say about it.

The Chairman: Mr. Minister, for the people who are disadvantaged and no longer in the labour market, is it not possible to make a new approach to them by way of income?

Hon. Mr. Neary: People who are?

The Chairman: Disadvantaged—the sick, crippled, old, maimed, those no longer in the labour market.

Hon. Mr. Neary: Yes. I would say you are right. Both government and private agencies have been

carrying on rehabilitation programs for years. I do not know whether these programs have been sufficient, whether we have been doing enough to rehabilitate people. I do not see why a man sitting in a wheel chair, for instance, could not work if there was work available for him. He could push buttons, answer a phone, write—there are all types of things he could do. You raised a good point. Perhaps we need to do more for these types of people. What it is we have to do, I would have to think about it more.

The Chairman: I suppose you could say that that is our job, to come up with something.

Are there any other senators who have questions?
Mr. Minister, is there anything else you would like to say?

Hon. Mr. Neary: No, except I would like to thank you and the committee for allowing us to make this presentation.

I may say that the observations made in this brief come from my field staff all over the province. They have seen the destruction of the souls of whole families through this legislative enforced idleness and this comes with the entitlement for social assistance.

I hope, sir, through your committee you will be able to change the ground rules of this sorry game and

indicate to the people of Canada that we have to be prepared to be flexible and experimental. We have to change things. The people of Canada will then have to feed back their views on the ideas and proposals that you put forward.

The Chairman: Mr. Minister, I think that I can say to you that change will certainly be one of the things we will recommend in some form or another.

Your brief today has been interesting and informative. It has a "grass roots" approach. It is thoughtful and helpful. We are delighted to see a man of your calibre take an interest in and show a concern about this very perplexing problem.

Hon. Mr. Neary: You will have noticed that I did not throw in much statistical data, for I feel that by now the minds of the committee members must be completely boggled by statistics and by repetition. Let us get down to brass tacks and talk common sense.

The Chairman: I said that you used a "grass roots" approach. We appreciate your presentation.

Mr. Minister, on behalf of the committee I thank you very much.

The committee adjourned.

APPENDIX "A"

BRIEF
to the
SPECIAL SENATE COMMITTEE ON POVERTY
submitted by the
DEPARTMENT OF SOCIAL SERVICES AND REHABILITATION
of the
PROVINCE OF NEWFOUNDLAND
by
STEPHEN A. NEARY, MINISTER

Ottawa, Ontario

May 7, 1970

There is no need in this submission to dwell on the seriousness of poverty in Canada's newest province. Newfoundland is perennially distinguished by the lowest per capita income, the largest families and greatest birth-rate, the highest index of unemployment, the lowest average level of education, the greatest per capita provincial indebtedness both at the beginning of and now at the end of twenty years of Confederation in comparison with other provinces.

True, the material standard of living even for recipients of social assistance has improved tremendously since the thirties when provincial help was limited to six cents a day. The payment of short term assistance by discriminatory vouchers will be completely phased out during the months just ahead in favour of cash payments. A program of consumer education is under preparation by our department's field staff with the purpose of helping clients to secure better value for their allowances. The current session of our House of Assembly has unanimously approved an amendment to the provincial Social Assistance Act establishing an independent Appeals Board comprising a representative of the business community, a recipient of social assistance, and a chairman skilled in procedure, knowledgeable of regulations and experienced in human relations. Following up experiments with "self-help" plans—home gardening, subsistence fishing, cottage industry—in my own Bell Island

District to help social assistance recipients extend their welfare dollar, the department's field workers will be educating citizens of other communities in self-help projects through the months ahead.

Despite these plans and measures, Mr. Chairman, attempted in what is perhaps the best laboratory in our country for confronting and attempting to cope with the realities of poverty, despite our national progress towards the inevitable goal of guaranteed annual income, poverty will still be with us in the philosophy or the lack of philosophy—of life which goes with unearned income.

For, not only is the current social assistance program self-perpetuating in that it entraps and contains generation after generation in the same family or in the same community, but because of the stiff penalties it visits upon those who attempt to break through into such occasional employment as is open to them, it saps the morale and destroys the desire even to think about work not only among those already on welfare but even among the employed poor who often by simple arithmetic can prove that they are dollars ahead in receipt of our present relatively meagre social assistance as compared with inadequate wage scales.

Mr. Chairman and members of this committee: you will undoubtedly in your hearings have had many definitions of poverty and many instances of the

degradations and actual tortures that it imposes on the human spirit. There is no need for me to dwell on the hopelessness and despair, the sense of entrapment that erodes the souls of those citizens and their children who once fall into, and then sink deeper and deeper into the quicksand of dependence on social assistance. To be robbed of the sense of fulfilment that comes from earning one's own way and providing for one's own family leads to the greatest poverty of all—poverty of morale, of soul, of spirit, of attitude.

History, again and again, has shown what has happened to nations which permitted large numbers of their citizens to become viewers instead of doers. Rome was not far from its Fall when it distributed free bread to its citizens and provided them with pacifying entertainment in the Colosseum. Is not today's recipient of state assistance for his material needs sitting hour after hour in front of his television a perfect parallel? It is not a matter of top priority for Canada to open its eyes to this problem, to this erosion of the very basis for good citizenship in a democracy if the word democracy is to mean anything?

Mr. Chairman and members of this committee: the day of the workhouse is, thank heavens, gone. No government that is worth its salt would uphold the principle of compulsory labour for those whom technological change or personal misfortune has robbed of the opportunity to earn a livelihood in today's highly selective and competitive labour market. And we must face up to the fact that those very technological advances which produce such a cornucopia of material products tend to rule out hands as a factor in such production to the point that we have sincere prophets who forecast that by the end of this millenium three-quarters of Canadians will be paid not to work as we understand work today.

Perhaps, Mr. Chairman, in the three decades ahead we will have discovered how to educate people to cope with the circumstance of unlimited leisure. In the meantime, however, we have to deal with at least two generations who have not been exposed to any such conditioning.

Mr. Chairman: the opportunities for economically justifiable employment are shrinking—but there is no lack of work to be done!

In my province alone there is a whole list of projects that can benefit people, but which cannot be justified as projects for the private business sector of our

economy . . . projects that are non-competitive with private business but which could employ great numbers of citizens without any complex training in skills.

Examples? Untrained and semi-illiterate people—and these form the hard-core of that close of one-fifth of our province's population which is on either long- or short-term social assistance—can be employed upgrading by hand the perimeters of the 564 miles of the Trans Canada Highway that crosses our province. The unemployed miners of my own Bell Island could be occupied for another ten years in hewing out a tunnel from their island to the local mainland that would protect the provincial and private investment in this community that was not so very long ago the second largest municipality in the province—protect it by making it an adequate dormitory for those commuting to employment who are at present heavily handicapped by the need to pay for a ferry trip twice daily to their jobs. Reforestation, provincial parks improvements, community and beach clean-ups—all of these could be given a tremendous boost without interfering in any way with the private sector of business except to provide it with customers.

My suggestion, Mr. Chairman, is simply this: that the cost-sharing aid of the Canada Assistance Plan be extended to assisting provincial treasuries to finance crown corporations charged with hiring from among social assistance recipients applicants for work on a selected list of projects which would be reviewed from time to time.

No recipient of assistance would be pressured into accepting such employment, but the opportunity would be there for him to earn well over and above his welfare entitlement at a type of work suited to whatever skills and training he has had, or a type of work where his lack of training would not handicap him from its performance.

Mr. Chairman: our people want work, and want work that they can perform with some sense of competency and self-fulfillment. Today and tomorrow, technological advance in practically every area of business is eliminating the need for those who lack specialized training. Only government can afford to employ such citizens, to create and pay for the kind of work they can do. But my government, that of the Province of Newfoundland, cannot go it alone on such a project. The burden on the provincial taxpayer is already at the limit. We desperately need help, and if

we are to cope with the worst kind of poverty of all—the poverty of opportunity, the poorness that prevents a man or woman from soul-saving, face-saving employment—we must have help from a treasury other than our own.

Mr. Chairman and members of this committee: may I solicit your support in a broadening of the terms of

the Canada Assistance Plan to include cost-sharing aid not just in maintaining some 20 per cent of our province's population in unproductive idleness but in financing their way to paid employment that will make unique and presently neglected contributions towards improving life for all in your newest province and one which is struggling desperately to escape Cinderella status in our great Canadian family.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE

ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 39

TUESDAY, MAY 12, 1970

WITNESSES:

The Bar Association of the Province of Quebec: Mr. Claude Gagnon, Q.C., President; Mr. Philip Vineberg, Q.C., Vice-President; Mr. Michel Robert, Member of the Bar of Montreal.

APPENDIX:

"A"—Brief submitted by The Bar Association of the Province of Quebec.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, May 12, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Eudes, Fournier (*Madawaska-Restigouche*), Hastings, Inman, McGrand, Quart and Sparrow—(9).

In attendance: Mr. Frederick J. Joyce, Director; Mr. Richard Lord, Community Liaison Officer.

The following witnesses were heard:

THE BAR ASSOCIATION OF THE PROVINCE OF QUEBEC:

Mr. Claude Gagnon, Q.C., President;

Mr. Philip Vineberg, Q.C., Vice-President;

Mr. Michel Robert, Member of the Bar of Montreal.

The brief prepared and presented by the Bar Association of the Province of Quebec was ordered to be printed as Appendix "A" to these proceedings.

At 11.55 a.m. the Committee adjourned until Wednesday, May 13, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Tuesday, May 12, 1970

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Chairman: Honourable senators, we have a quorum and I will call the meeting to order. We have with us today a delegation of the Bar Association of the Province of Quebec and I shall introduce the members to you in a few moments.

On Wednesday we shall have a delegation from the Province of Prince Edward Island. I do not know how they arranged the celebration so quickly, but they will be here. These dates were picked well in advance.

On Thursday we shall hear from one of the oldest missions in Montreal, the Old Brewery Mission. Father McCarthy will be here with them.

Next week we will have the Provinces of British Columbia and Saskatchewan. In the following week—honourable senators might keep this in mind—we will have Ontario on Monday, New Brunswick on Tuesday, Alberta on Wednesday and Manitoba on Thursday. The Thursday meeting may not take place as Manitoba has a new deputy minister. These dates were not ours; they were chosen by the Provincial departments and there was not much we could do about it.

Senator McGrand: Mr. Chairman, did you say there will be a meeting tomorrow?

The Chairman: Yes, there will be a meeting tomorrow, to hear the delegation from Prince Edward Island. It will be in Room 256-S.

Honourable senators, the delegation this morning is from the Bar Association of the Province of Quebec. On my right is Mr. Claude Gagnon, Q.C., President of the Bar Association of the province. Next to him is Mr. Michel Robert, member of the Bar, and next to him is Mr. Philip Vineberg, Q.C., the former president.

Mr. Gagnon will speak to you first.

Mr. Claude Gagnon, Q.C., President, Bar Association of the Province of Quebec: Mr. Chairman and honourable senators, I would like first of all to express our thanks for your allowing us to appear before you today. As you know, we are not economists or sociologists and we realize fully that we cannot contribute expert knowledge backed by adequate research to most of the questions set out in the guide for the submission of briefs.

Nevertheless, we have considered it our duty to make some contribution to the important work of your committee. We lawyers as ordinary citizens are concerned with the problem of poverty and we are particularly concerned with the plight of the disadvantaged before the courts of law. How can there be a just society if there is not equal justice for all.

Our submission, therefore, would fall under paragraph (m) of section 27 of the guide under the term of "Measures to Assist the Disadvantaged."

Before I ask Mr. Robert to present our brief to you, it would be fair to point out that most judges are just as concerned as we are, and that even when they have to render justice they take extreme care that the disadvantaged get fair treatment in their court.

I think we should also—and the time will come, I suppose—say something of the considerable effort made by the lawyers and members of our Bar in the field of legal aid. At the same time, while we feel that we have made some progress, we all realize that there still remains a lot to be done and the purpose of our coming here today is possibly to bring out some positive aspects of amendments to the Criminal Code, for example, which in our view would be helpful in achieving our goal.

I have with me today Mr. Philip Vineberg who, up to a few days ago, was *Batonnier* of the Bar of Montreal and who is the Vice-President of the Bar Association of the Prov-

ince of Quebec. I also have with me Mr. Michel Robert, who is a younger member of the Bar of Montreal. I think it would be proper to say that the younger members of the profession are taking a more and more active part in the administration of our affairs and in the development of our thinking and action. We have welcomed this development wholeheartedly. This is the reason why today we have asked Mr. Robert to present our brief on our behalf. Thank you, Mr. Chairman.

[Translation]

Mr. Michel Robert, Member of the Bar of the Province of Quebec: Mr. Chairman, the Honourable the Members of the Senate, Ladies: It gives me a great deal of pleasure to present this morning the brief of the Bar of the Province of Quebec to the Special Senate Committee on Poverty. Obviously, I do not intend to read this brief which you have studied, or will be studying in the upcoming days, but may I briefly indicate its main points.

First of all, we raise the principle, which is now recognized, of equal justice for all. But this theoretical principle is not being applied completely if the principle of equality of citizens before the administration of justice is not respected. By this I mean, more precisely, that if citizens are not equally represented before the administration of justice, and more particularly, before the courts, before the common law courts, the principle of equality before the law is being poorly applied. In fact, what is to be said of the following example: the Crown is represented by a Crown Attorney whose fees are paid by the state. The Crown Attorney obviously has a police organization at his disposal which enables him to submit the evidence and the person who appears before the court may be a disadvantaged citizen who is not represented by an attorney, who has not obtained the necessary technical advice, and I submit to you that under such circumstances, the principle of equality before the law is being poorly applied. That is why, since 1956, the Bar of the Province of Quebec, have been concerned with a person's right to be represented by an attorney before the courts, regardless of his financial resources and his economic situation.

We believe that it is absolutely vital and important that each citizen be represented by an attorney before the courts, regardless of his financial resources. This is why, in 1956, we inaugurated a legal aid system which has

been developing extremely rapidly and which today renders thousands of services, if we may say so, to the people of Quebec. Obviously, we do not claim to have the best system, but we believe that the system we now have adequately meets present needs; however, we cannot say that there is no room for some improvement, and we plan to continue in this field.

Obviously, you will ask us in which areas the federal government can legislate with respect to legal aid. We have not, obviously, studied the constitutional question thoroughly but the Ouimet Report, or the Report of the Canadian Committee on Corrections, has already suggested that the federal government has jurisdiction to legislate with respect to legal aid, on condition that it was limited to the criminal field. Furthermore, the Ouimet Report suggests that it would be unrealistic to have two legal aid systems, one for criminal cases and the other for cases in the civil and other areas of law; I believe that we are in agreement with this observation of the Ouimet Report. However, the federal government can certainly adopt a number of useful measures concerning the second point that we raise in our brief.

The second part concerns criminal legislation. If I may, I will now speak in English.

[Text]

Many modifications could be made to the Criminal Code in order to improve it and to eliminate the principle of equality of citizens before the law and before the courts, particularly concerning the bail system which is now in force in Canada.

Our Criminal Code stipulates that a person being accused either of a crime or of an infraction can be freed if he deposits bail, either through a bond or through a deposit of a certain sum of money. We recommend that all monetary obligations be eliminated from the Criminal Code except for foreign citizens who are here only on a temporary stay and for whom, probably, a deposit of money could be a good measure to ensure such persons appearing again before the courts. We believe, however, that perhaps a stipulation in the Criminal Code permitting the judge to withdraw the passports from the foreign citizens would be more effective than a deposit of money.

We want to eliminate these forms of monetary obligations because we believe that they are discriminatory against the poor people

and the disadvantaged. We believe that the system of bail should be modified in order to have two steps in the procedure. The first step would be that the accused would be considered by the judge as admissible or non-admissible to bail. Once that question had been determined, then the accused, if he were deemed admissible to bail, would be freed upon his own promise that he would come back before the court. We also suggest that failure to return before the court should be made an infraction under the Criminal Code punishable by fine or imprisonment. We suggest imprisonment for two years.

We believe that that form of bail would be fairer to all citizens and would not put the underprivileged citizen in the situation where he is kept in jail while waiting for his trial, whereas the person who has money can be freed upon giving bail either in money or by means of a bond.

The third point we stress in our brief is the question of the repression of the exploitation of the underprivileged citizen. It is very difficult to define the notion of exploitation of the underprivileged citizen, but we very well note that certain contracts—either contracts for the sale of real property or contracts of the type that are signed by people in the their homes when buying furniture or other home commodities—are not fair and that the methods used in respect of those contracts are not fair. It is probably impossible to create a crime in the Criminal Code called the exploitation of the underprivileged citizen, because it is too vague and would be unapplicable. But a series of measures could be adopted to take care of the situation. I would not attempt to enumerate all such measures, but I can give you a few examples. For instance, in certain provinces there is legislation called the "cooling-off period". In other words, with respect to a person signing a contract, after the signing there will be a delay of a specified number of hours, either 24 hours or longer, before the sale is considered complete. We would suggest the delay be 72 hours rather than 24 hours.

Also, concerning rates of interest, there is other legislation which we think should be implemented under the federal jurisdiction. Rates of interest should be divulged completely in any sort of transaction.

Furthermore, there is the question of notes being attached to conditional contracts of sale and afterwards being negotiated to a bona fide person.

With respect to such notes attached to conditional contracts of sale the legislation should be modified in order to make sure that the person who takes the note is well aware of the fact that it comes from a sale of merchandise for consumer purposes. I believe that a suggestion or proposition for legislation to that effect has been put forward by the honourable Mr. Basford.

The fourth point that we should like to discuss with you, which we think is very likely the most interesting point in our brief, is the creation of legal clinics in depressed urban areas. Usually poor people instead of going to see lawyers before their problems arise go to see them only after the problems have arisen and the situations have deteriorated to their detriment. Bearing that in mind the junior Bar of Montreal in co-operation with law students has envisaged the creation of a legal clinic in the St. Henri Ward in Montreal. Unfortunately, we do not have any experience on that so far and cannot give you any definite statistics. But, certainly, this formula is very advantageous because, through such clinics we could very likely perform an educational function as well as one in preventive law. In other words, we should try to solve the problems before they arise, because that is the time to solve them.

Moreover, it would also be possible to work in conjunction with other specialists in such fields as rehabilitation, sociology, psychology and social work, because very often along with a legal problem are found other aspects just as important as the legal aspect and requiring team work to solve the problem of the family or to solve the problem of the individual concerned.

Of course, the Bar of Montreal has no objection to this form of clinic, other than for a certain reserve in the sense that if law students are working in this law clinic, we believe they should work under the supervision of members of the Bar so as to ensure that any advice given is given by competent lawyers who are members of the Bar. Of course we do not know the results, but as I said before, we hope that in the near future this will produce what is expected.

So, Mr. Chairman, these are the four main points of the presentation or the brief that we have prepared. There are, of course, other matters which we do not discuss in our brief, and at this stage I would like to add a word on the payment of fines. It has been estab-

lished by the Prevost Commission in the Province of Quebec that many persons are kept in jail for the simple reason that they do not have the necessary money to pay a fine imposed, whereas a person who has some money can be freed immediately because he has the money to pay the fine. We believe that the stipulations in the Criminal Code concerning the payment of fines are too rigid. We suggest that perhaps payment could be made by instalments. In other words, a person who earns only \$68 a week could be given permission by the judge to pay his fine by instalments, and we even suggest that maybe he could give an authorization to his employer to deduct from his pay the amount of the fine in question. That is, of course, if he wishes to do so; if he does not wish to do so, then he is not bound to. The suggestion was also made by the Prevost Report that maybe this person who has no money could be given permission to work for the state for a certain number of days in order to replace the payment of the fine. While we believe that the suggestion is very interesting, it is not very practical for many reasons.

The Chairman: It is not worth a hoot.

Mr. Robert: First of all because of the presence of trade unions in the Civil Service, and I presume that the person being replaced for a few days would not like it, particularly if he loses overtime or other benefits. So, honourable senators, I think that changing the system and permitting the payment by instalments and also adjusting the amount of fines according to the means of the citizen would be a worthwhile measure.

Of course there are many other aspects, but I do not want to be too long, and so I shall stop here.

Thank you very much.

Mr. Philip F. Vineberg, Q.C., Vice-President, Bar Association of the Province of Quebec: Honourable senators, there is one subject I might perhaps mention that derives from the experience of the Bar of Montreal in reference to legal aid. This has grown since its introduction in 1956. Originally it involved on a gratuitous basis contributions on the part of the members of the Bar of Montreal. It is, of course, totally inadequate to meet our requirements. In the process of time we have developed a system of a permanent legal aid bureau. What I want to mention in relation to the federal jurisdiction is the fact that we

now have in the Montreal Legal Aid Bureau 14 full-time employees who are lawyers, apart from those in other capacities. In practice, for two reasons, the lawyers who are full-time are predominantly concerned with criminal law. The two reasons are as follows; first of all criminal problems for the underprivileged usually denote urgency, and we are not able in the administration of legal aid to refer an urgent matter to a member of the Bar on the basis that he would have to appear the following morning or on that very day without any advance notice. Secondly, we found that the number of lawyers specializing in criminal law was relatively small by comparison with the needs and demands, and the result has been that the Montreal legal aid system has mostly all of its full-time employees handling criminal cases. The civil law cases are handled on the basis of services by members of the Bar which are spread out on the basis that when called upon to do so, the members must provide legal aid services free of charge.

Last year the Bar of Montreal handled some 3,300 cases on the civil side through the services of somewhat over 1,000 lawyers, none of whom was paid for his work. As Mr. Robert mentioned earlier, the one area of the legal aid that comes within the domain of the federal Government is that of criminal law. We are very much handicapped in the Province of Quebec by inadequate financing of our legal aid system. We want and we need much more legal aid, and we have been inhibited from growing by virtue of the fact that we work under a very limited budget, relatively speaking, in the Province of Quebec. The contribution of the Bar of Montreal was originally 100 per cent, but now except for very small amounts its contribution is in the form of services.

It seems to me that having regard to the federal Government's jurisdiction in criminal law, it might be possible to evolve a system—and I do not want to qualify it or categorize it by any terms such as grants in aid or otherwise—under which some financial contribution might emanate from the federal Government to make possible the needed growth of the legal aid system in the Province of Quebec, especially in the area of criminal law where we have found our greatest need for full-time personnel.

The situation in Ontario has evolved much better, and Ontario is now one of the model systems of legal aid in the world, and it is an ideal system from the Quebec viewpoint

because there the situation is that the Government of Ontario is paying all the expenses, and all of the employees both on the civil and criminal side are relatively fully paid by the State. We are very far from that in Quebec, and in those areas of criminal law where legal aid is inadequate, as it is almost everywhere except in Ontario, some consideration might be given by the federal Government to making a contribution which I think might be worthwhile.

The Chairman: You are unique to this extent—you are the first one of the provinces which has ever suggested that the federal Government shall be contributing to the legal aid system in any one of the provinces. All other provinces are spending whatever they can, and they have spent it from their own.

Before starting the questioning, there are three things which I think you need not waste too much time on this morning. The Minister of Justice has a bill prepared dealing with the bail system which will probably be in the house today, tomorrow or the next day. It will also deal with the matter of the fine system as to payment and also the matter of exploitation.

Senator Carter: And promissory notes?

The Chairman: I think the subject of promissory notes will be dealt with in consumer legislation. Those areas need not be dealt with to too great an extent this morning, because we will have that bill before us in due course and there will be ample opportunity for studying it at that time. In any event, I know you are thinking of it but the Minister of Justice was thinking of it too.

Senator Inman: I found a lot of worthwhile information in this brief, and I would like to congratulate the gentlemen who prepared it. My first question is this; do you find it difficult to procure lawyers to give their services in defending these people, and if so, do you find any who give their services free? I believe at one of our hearings we had some young lawyers who said they were glad to do it for the sake of the experience.

The Chairman: That was the same clinic, that has been referred to here. We had Mr. Cooper of the Civil Liberties people here. That is the clinic I think you are referring to.

Mr. Vineberg: It is intended that Mr. Cooper shall have charge of that.

Mr. Gagnon: I think the honourable senator is asking us if we have trouble finding lawyers who will do the work gratuitously. I think our first reply to that is that under our code of ethics, it is derogatory to refuse a case of legal aid in our province. If the *batonnier* or the president of the legal aid bureau sends a case to a lawyer he is not allowed to refuse it unless, of course, he has some reason why he is disqualified to act in a particular case.

Our experience is that we have to ask our members to do that work because although we wish to have a system as comprehensive as the Ontario system, because of our financial limitations we must do this gratuitous work in order to give proper service. We know there are limitations to that, but so far this is how it has operated.

Senator Inman: On page 9, paragraph 37, you say:

It must be added that important improvements have been made by the Court of Sessions of the Peace, but much progress remains to be made.

Could you suggest any other improvements? You say some have been made, but others need to be made. What have you in mind?

Mr. Robert: The progress which has been made is the following. Instructions were given by the Chief Justice to proceed by way of summons in certain crimes and infractions, and then in these cases it was mandatory for the police authorities to proceed by way of summons, except in very special instances. We believe this does not go far enough. In other words, I think the police probably should proceed by way of summons each time the person has a domicile, has a family, has ties with the community, and then the possibility that he will not appear for his trial is very limited. Then they should proceed by way of summons, because if he does not appear on the summons they could always issue a warrant afterwards. Unless there is danger for the public as such—for example, the danger that the accused will commit another crime while he is being summoned—or unless he has no ties at all with the community, then they could always proceed by way of summons.

Senator Inman: He could leave the country or the province, for instance.

Mr. Robert: Yes, but the statistics show that if a person has certain ties with a com-

munity he will hesitate very much before leaving the country. Of course, I am not talking about a foreign citizen or a person having no domicile or no family and being only temporarily, let us say, in Montreal. Then we could proceed by way of warrant in that case.

Senator McGrand: You talk about the foreigner or the outsider, but there are people who commit a crime or do something in Montreal today and they are in Vancouver the next day. Those are transients. Could you apply this system to that type of person?

Mr. Robert: I think the Ouimet Report has suggested a very good modification that should be brought into the administration of justice in relation to this problem. It was found, for example, that a person being accused in the Province of Quebec could obtain bail before a judge there and be free. Then he could go to Vancouver, commit another crime, appear before another court and obtain bail again; and the judge in Vancouver would not be aware that he was already on bail in the Province of Quebec, because there is no central system of information concerning bail being granted or complaints being laid against a citizen.

What Mr. Ouimet has suggested in his report is that a central records bureau be kept somewhere in Ottawa, where all the bails and complaints could be registered so that a list could be established. Then, each time an accused appeared before a judge, the judge could consult the list and see if the accused was already on bail in another province. I think this is probably the measure which is necessary to deal with this specific problem you are mentioning.

Senator Inman: On page 11, section III, this has to do with the exploitation of the economically weak. I am sure we have a great many such people in each province. What efforts has the Quebec Bar made to improve the consumer protection legislation in view of its comments that Quebec seems to have less adequate legislation than other provinces? What has been done to improve this situation?

Mr. Robert: It is difficult to say that Quebec has less adequate legislation. In certain areas, yes; in other areas, no. Let us take, for example, Article 1040A, and following, of the Civil Code, which probably is a very new measure. These provisions give discretion to the judge to reduce the obligations following a loan. For example, if a loan is made at a rate of inter-

est of 24 per cent, a judge in a suit could say, "I consider that this rate of interest is too high, and I reduce it to..." Usually he used to reduce it to 6 per cent, and now it would be to 10 or 11 per cent, but he could reduce it, so I think that this type of legislation is probably more advanced in the Province of Quebec than in other provinces.

The Chairman: How long has it been there?

Mr. Robert: For about two years.

The Chairman: What is it called?

Mr. Robert: It is part of the Civil Code.

The Chairman: Is there not a special name to the act?

Mr. Robert: No, it is not a special act, but is in the form of an amendment to the Civil Code. It requires 60 days' notice for mortgages. In other words, if you do not pay your mortgage in time, then the debtor is given 60 days' notice and he could not waive this notice by the terms of the contract. If he waives it, it is against public order and the stipulation becomes null and void.

In other areas, such as the cooling-off period, we do not have any legislation in the Province of Quebec. I think there is some in Saskatchewan. This measure is excellent and it should probably be adopted in the Province of Quebec.

Certain aspects of it fall under the federal authority and not under the provincial authority. The rate of interest, promissory notes and letters of exchange fall under the federal authority and should be dealt with by federal legislation.

Senator Inman: On page 14, sections 62 to 63, you say:

The Bar equally favours the creation of a group of specialized lawyers in "social law" who could render invaluable services within these legal clinics.

When does the Bar of Quebec expect to set up a group of specialized lawyers to render these services, or do they intend to set up one?

Mr. Robert: This question of specialization amongst lawyers is being debated now in the Province of Quebec, whether we should create a certain certificate of specialists, let us say, where a person is specializing in fiscal law, labour law or civil law. A decision has not been rendered on that aspect, and it will

be one of the topics being discussed at the annual convention of the Bar being held on May 22 and 23 in Montreal. But before we decide to set up a system of specialization in law, we certainly want to favour and encourage the specialization *de facto*—in other words, in fact—of certain lawyers in social laws. Probably it will have to be done through the hiring of these lawyers by governmental agencies, because in private practice a lawyer cannot make his living if he is practising only social law.

Certain trade unions in the Province of Quebec, and more particularly the CNTU, have a few lawyers who have been doing this kind of law work for maybe the past five years, but they are very few. Unfortunately, the government of the Province of Quebec so far has not felt it necessary to hire lawyers to do this specific work, either before the Workmen's Compensation Board or under the Minimum Wage Act before the Minimum Wage Board, and other government agencies. We feel that this should be done in order to develop competence in this field because we must admit that most lawyers in the Province of Quebec, and probably everywhere in Canada, do not know the laws concerning social benefits. When a person inquires of us with regard to their entitlement to benefits from the federal, provincial or municipal authorities, we frequently cannot give advice, because we have not studied the whole matter.

The system is also so complex that it is very difficult for any person to know exactly to what a citizen is entitled, because there is federal legislation, municipal by-laws, and provincial legislation, the criteria for each differing. Old age pension is allowed on certain conditions. Social welfare aid from the City of Montreal has benefits at certain standards related to income. However, there could be disqualification from receiving aid from the Province of Quebec, because the standard is different.

Senator Quart: First of all, Mr. Chairman, I would like to say I am very proud of being from Quebec. These gentlemen have not only presented a brief but have made so many suggestions that it is practically impossible for us to question them.

To your knowledge, is the clinic established by the Junior Bar in Montreal the first in Canada?

Mr. Gagnon: I am not sure.

The Chairman: I can assure you that it is not. It is the first one in Quebec.

Senator Quart: I have known this young man since he was knee-high to a grasshopper; that is why it slipped out.

You mentioned that the Junior Bar in Montreal, with the collaboration of law students, would have equal difficulty in being ready to appear. The missing of classes would not matter so much. When this consultative legal clinic is set up in St. Henri, will its services be extended to others wards or restricted to St. Henri?

Mr. Gagnon: Most of the students are fourth year law students who have their law degree and are training at the Bar admission course stage.

A company known as Community Legal Services Incorporated has been formed under part III of the Quebec Companies Act. Its first venture will be at Point St. Charles, but eventually we hope it will develop into something more comprehensive. There is no reason why it should not move out of St. Henri. We are doing the same thing in Quebec City now, and actually discussing a clinic not only with the Bar but with the trade unions. The CSN and CNTU take part in the discussions of a committee which we have set up. We told them that Quebec is not that big and we should get together to ascertain the needs and consider how to proceed.

We hope that very soon we will set up such a clinic probably in the Limoilou or St. Roch area. Monsieur L'Abbé Lavoie is also involved and we consider that all people concerned with this problem should be brought together.

Mr. Vineberg: You made reference to students missing their lectures. As a matter of fact, this particular project is being organized in co-operation with the university, which is even contemplating within the law faculty offering course credits for work in the legal aid clinic. The students in the clinic will be under the surveillance of university professors specializing in this field of law. We anticipate that not only will they be allowed, but encouraged to attend and given credit for some part of their work.

While this is the first outdoor clinic, as it is known, for quite a number of years the legal aid bureau has had regular weekly evenings with services available to the public in Point St. Charles. In other words, it is not a perma-

nent clinic, but every Wednesday night there is someone in attendance for people who do not have time to go downtown to offices.

Senator Quart: It has the blessing of the Bar Association and the universities. It is a wonderful co-operative effort. I am very happy to have such an explanation, because two or three weeks ago it was implied that it was not certain that some underprivileged persons would receive legal aid in the Province of Quebec.

Mr. Gagnon: To illustrate the situation, three years ago the government grant to legal aid in Quebec was \$50,000. Last year we reached \$340,000. I will not refer to it as a budget, but the credits deposited before the last election amounted to \$800,000 for legal aid. We feel that that is not sufficient.

Senator Hastings: Is that \$800,000 a provincial grant?

Mr. Gagnon: It is provincial. The budget has not been voted yet, but this is the amount in the estimates for the coming year.

Senator Carter: Is this the provincial grant to the Quebec Bar, the Montreal Bar, or all?

Mr. Gagnon: No. The \$800,000 is the amount set aside by the provincial government for legal aid throughout the province and will have to be divided.

As an example, Montreal last year received approximately \$300,000. The Bar of Quebec on behalf of its sections has filed a budget for the current year. We have estimated the minimum requirements for legal aid as roughly \$1,200,000. Even with that amount we know that legal aid in civil matters will continue to be on a gratuitous basis.

The budget for legal aid in Montreal this year was \$746,000, which will provide for doubling the number of lawyers from 14 to 28. We realize that we might not achieve that goal this year, but it is an illustration of the direction of our efforts.

Mr. Vineberg: It is not the real, but the requested budget. To draw a comparison, Ontario spends over \$7 million a year on legal aid.

The Chairman: Yes, but to draw a further comparison, the prairie provinces, with half the population, spent twice as much money as you did last year.

Mr. Vineberg: It is the same inadequacy to which we refer.

The Chairman: I know, but we have a poverty problem to deal with. The great Bar of Canada, that of the Province of Quebec, agrees the situation is such as not to be adequate.

Mr. Vineberg: No, but we have been complaining about it and we do not miss any opportunity of so doing. We have started on a gradual basis and by knocking on the doors of Quebec we have reached the stage at which we now are.

Mr. Gagnon: There is something that has to be said in all fairness. When one compares our system with the Ontario system, which last year cost \$7,400,000, it should be remembered that in Ontario it is—how shall I call it?

The Chairman: The common law system?

Mr. Gagnon: No, it is the private enterprise system. Every lawyer in Ontario who takes a legal aid case is paid, and the tariff is quite adequate. The young lawyers can make more money with legal aid cases than they would if they were out on their own. In Quebec, our permanent lawyers are paid adequate salaries, but nothing in comparison. Therefore, when you compare \$800,000 in Quebec with \$7,400,000 in Ontario, we should be very careful not to confuse the two, because the Ontario system is much more expensive and pays the lawyers much more.

The Chairman: They have to pay a fair amount of money; it is half the fee or...

Mr. Vineberg: It is 75 per cent.

The Chairman: Three-quarters of the fee. But that is not really the problem. The comparison I made was not with Ontario. I referred to the prairie provinces—Saskatchewan, Alberta and Manitoba—which with British Columbia are spending far more money than you are in your province. You are extending your assistance, as far as my record shows, to Montreal and Quebec, I often wonder what is happening to the other cities in your provinces.

Mr. Vineberg: We have started elsewhere.

The Chairman: When?

Mr. Vineberg: Within the past year. We have now developed certain legal aid operations in the Hull and Saguenay districts, and elsewhere.

Senator Fournier: Not being a lawyer I find it very difficult to accept everything in the brief. It leaves me thinking that all is not rosy in the judicial system of the Province of Quebec. The brief mentions many weaknesses, which apparently they are trying to correct, and for which I give them credit. The Prévost Commission reported three or four months ago, and it was not too well accepted by the Bar of Quebec. I remember reading some articles that appeared to prove what I said about the judicial system not being all rosy. There is lots of room for improvement.

I make this statement as someone who is not a lawyer but as someone who reads the papers and has to pay taxes for all these misfortunes that happen at times. It seems that in some cases our courts have become show places, where justice is eliminated, where 12 jurors, who are selected mostly for their ignorance rather than their ability, have to decide which party has the best lawyer. That is the only thing they can do, and that is why I say that sometimes the courts come to be show places. We read in the papers what is going on in the Province of Quebec and other places, with murder cases and long law suits lasting for years, with appeals, appeals against the appeals, all with the taxpayers' money. So far there has not been too much criticism of the system publicly, but there is a lot of thinking going on in the minds of the people, especially the young people. You, who are members of the Bar, will have read in the newspapers how not long ago in Ottawa a group of young people cursed justice, the lawyers and everything. When we reach that level, there is something wrong somewhere. I do not agree with these young hoodlums, they should not do that; we have to respect our judges and the whole democratic system, but when things reach that level there is something to worry about. That is all I say on that. I am sure you do not agree with me, but that is my personal opinion. I want you to think about it, because I sometimes think that "justice" is a word taken out of books. I make this last remark. I feel sometimes when reading about these things and seeing what is going on in courts, that too much emphasis is put on "my client" and not enough on justice. You have a client and you have some responsibility to defend your client. I understand that. But only up to a limit.

On page 2 of the brief, in paragraph 5, I read:

This principle of equality of citizens before the Law means that the legislator, in the making of its laws...

Would you explain that? To save time I have not read it all.

Mr. Robert: I think it means that when making the laws the legislator, provincial or federal, will not give advantages or privileges to any citizen over and above other citizens. In other words, everybody is equal before the law. In criminal matters especially, every citizen is entitled to the same kind of justice and fairness, whether he be a minister of the Crown or just an underprivileged citizen. This is the principle. Maybe you refer to certain permits or privileges given by the state; to take a classic example, a liquor permit. This is not part of the administration of normal justice in the sense that it is part of the administrative process, and for other reasons some permits are given to certain citizens that are not given to others.

Senator Fournier: You talk about permits. I am confused. I have been in politics long enough to use the word "patronage", of which you are all aware. One has from time to time a regard for one's supporters and gives them privileges. What has the law to do with that? This paragraph in the brief says:

...in the making of its laws, [it] must not afford to one citizen advantages or privileges as regards other citizens.

I would exclude patronage.

Mr. Robert: Certainly, I would exclude it also, because it is not part of the judicial process. It is part of the administration of the state, which is entirely different and separate.

Senator Fournier: When you were talking French you said "l'importance d'être représenté par un avocat"—"the importance of being represented by a lawyer". I go fifty-fifty with you on that. Sometimes there are things going on that I just cannot swallow. After all, justice must exist in our democratic system regardless of how much money you have to pay.

Mr. Gagnon: Perhaps the answer to that might be that we are not thinking specifically of money. Maybe a legal aid lawyer should be there, and then the demand would not pay for the service. Our experience is that, for example, too often in certain quarters the police have prevented someone held under guard from seeking legal advice until the

police have completed their investigation. We think this is wrong. We think the liberty of the individual is in jeopardy there. It is not a question whether it is a lawyer or not; we do not think we should be everywhere all the time.

Senator Fournier: I agree. When you say "service free of charge", I maintain there is no such thing as free of charge, somebody is paying somewhere.

Mr. Gagnon: When 1,000 lawyers in the City of Montreal last year handled 3,300 cases, it was free of charge. We have evaluated the services at approximately \$3 million, and nothing was paid by anybody.

Mr. Vineberg: It is free of charge to the public, but it is a charge to the lawyers. In other words, the lawyers are paying for it by rendering their services. Very often law firms are paying very heavy expenses and overheads, and they are paying the salaries of some of the men who are doing the work. There are some offices where a high proportion of the time of some of the lawyers is devoted to legal aid and all of the members of the firm are making a contribution by paying the salary and expenses of that particular lawyer. So it is not free of charge in the overall sense that you mean, but it is at the expense of the lawyers and associates who are rendering a service to the public.

Senator Fournier: I want to make that clear, because I think it is a very important point and it is one that should be known to the public. When I, as a member of the public, hear you people say "free of charge" I think that there is somebody in behind the scenes who is paying the bill, either the taxpayer or someone else. This is my feeling and this is a chance to give the right information.

Mr. Vineberg: The lawyers are paying the bill in this particular case. Some law firms have told me that they have figured that they have spent the equivalent of \$60,000 a year in legal aid services rendered free of charge to the public and at the expense of the lawyers.

Senator Fournier: I hope that part gets some publicity, because it is not well understood.

The Chairman: What Mr. Vineberg is saying is so evidently true and has been true

for a great number of years, except that no one believes this. It establishes one thing, that they need in the City of Montreal about \$3 million to properly look after the people who need assistance. We will come to that a little later.

Senator Carter: I would like to follow on from where Senator Fournier finished. Paragraph 6 says that the principle of equality must be accompanied by a concrete possibility of enforcing these rights, and you ask: What use are rights if one is incapable of enforcing them before the tribunals on the same footing as one's neighbour? Would you explain that a little further?

Mr. Robert: We have experienced that where a person is not represented by a lawyer, while the other party is represented by a lawyer, and more particularly before the criminal jurisdiction.

Let us take the following example. The Crown, as I said earlier, is represented by a Crown Attorney. The Crown has also administrative measures to help him to make his case. The police authorities are there to make the case, interview the witnesses, obtain the necessary sworn statements, and send subpoenas to the necessary witnesses.

On the other side, you have another who is an under-privileged citizen. He does not know how to send a subpoena, he does not know how to interview witnesses, he does not know the law, he does not know which defences are admissible and which are not, and very often he is in jail and cannot be in touch with the witnesses in question, and he cannot be in touch with the lawyer. We do not see how the parties are equal before the court in that situation.

On the contrary, we feel that they are completely unequal, the Crown being very well prepared and the accused being in a state where he cannot plead his case and have a fair defense and a fair trial. So we feel that this person has a right to be represented by a lawyer and to be given competent technical advice. From this suggestion we believe that a legal aid system should be established in order to provide every person, independent of his means, with the legal and technical assistance necessary in order that this principle of equality before the two parties in front of the judge be respected fully.

Senator Carter: Are you maintaining that if you provide a poor person with legal services you are making him equal before the law?

Mr. Robert: Let us say that he will be more equal, and less unequal.

Senator Carter: You have enunciated a very firm and strong principle here of equality, "equal justice for all and equality before the law". Let us get right down to the nitty-gritty of it. It is more than just legal aid.

Mr. Robert: Oui.

Senator Carter: If you are going to make a person equal before the law...

Mr. Robert: We agree entirely on that and, of course, we deal with the legal aid aspect because we are concerned more with that aspect than other groups. Certainly, by solving the legal aspect of it we are not solving all the problems. As I said earlier, very often these clinics will reveal it more accurately. Very often when we receive people sent by the legal aid bureau, we realize at the first interview that there is a legal problem but that there is often a psychological problem which we cannot deal with. There is often a problem of administration, I mean financial administration, administration of his own personal budget, and very often we cannot deal with that or can only partially deal with that problem.

It has been my experience, and I think this experience will probably be confirmed by Mr. Vineberg and Mr. Gagnon, that very often after trying to solve their legal problems, we refer these persons to other professionals, either psychologists, marriage counselling centres, or other specialists, where they can have free services for other aspects of their problem.

Senator Carter: To be equal before the law, that should be done before he gets to the law, rather than afterwards. It should be done before he comes before the judge.

Mr. Robert: The legal aid system is only one of the measures to provide this kind of equality. It is not the only one and it certainly is not the most important one.

Senator Carter: You told us you had a budget of \$1,200,000 for the whole Province of Quebec. That would be divided among how many legal aid branches or centres?

Mr. Gagnon: Roughly speaking, as matters stand now, twelve, because there are twelve

sections of our Bar and normally this would be set up on the same basis.

Senator Carter: How far would that permeate out into the province?

Mr. Gagnon: It should cover the whole provinces.

Senator Carter: It should cover the whole province.

Mr. Gagnon: Mind you, outside Quebec and Montreal, they have just started to organize legal aid on a permanent basis. They have done legal aid. For example, I was in Chicoutimi three weeks ago and I met a lawyer who had spent the two previous days on legal aid, but there was no legal aid bureau which told him to do it. Yet he spent two whole days on legal aid.

This \$1,200,000 is a start. I think even the Department of Justice in Quebec is quite sensitive to the problem and they feel that they should double the budget. Of course, I am talking off the record now, because this is not official policy, but this is what I have been told. They want to raise the amount of money put at the disposal of legal aid to something like \$4 million. When we reach that level, something very important will be done.

Senator Carter: You told the committee that in Montreal about 1,000 lawyers handle 3,300 cases, worth about \$3 million. These, I take it, were all civil cases.

Mr. Vineberg: I am sorry, senator, there should be a correction in those figures. Our estimate is not \$3 million on the Montreal side; that would be closer to \$1 million, and not \$3 million. But we are dealing exclusively, or almost exclusively, with civil cases.

Senator Carter: Of these 3,300 civil cases how many have to do with litigation under the welfare acts or various social assistance acts?

Mr. Vineberg: I don't have the statistics in front of me. I would say that a large proportion of these cases have to do with domestic troubles, husband-wife difficulties, alimony, separation and related problems. Others have to do with landlord and tenant disputes, customer credit and so forth. The question you ask about is not so much a matter that is dealt with by lawyers in cases because very seldom is it necessary to make a legal intervention. When it comes to social welfare, that

is resolved largely by communicating with administrative officials or making other representations rather than instituting proceedings.

When we speak of 3,000 odd cases we mean cases in court. In addition to those 3,000 cases there are literally tens of thousands of interviews where it suffices to see the people once and tell them that if they address themselves to this and that government department they will get their answer from them. We don't include that in our list of cases because that is not a law suit.

Senator Carter: Unless you have the litigation under the Social Assistance Act or whatever act you have for dealing with that, how do the rights of the individual become established? How are these interpreted?

Mr. Vineberg: When you come to what I believe you were discussing, the rights are incontestable. It is only when they have to be found and asserted that there is any problem. There would not be any contestation of their rights themselves. You only have to indicate what the rights are and they would get them. It is just that they are unaware of them and have to institute some proceedings, not of a legal nature, in order to make a claim. That is all that is required.

The Chairman: If you compare a man from Hull with a man from Ottawa, both having the same number of children of the same ages and, you will see that there is quite a difference. The man from Hull comes to us to complain. He receives \$100 less a month by way of welfare than his counterpart in Ottawa. The man in Hull asserted his rights time after time but no one paid any attention. That is what Senator Carter is getting at. It is not enough merely to assert your rights; it is necessary to establish the rights. What have you people done about that?

Mr. Vineberg: It is necessary for you legislators to make the law under which the rights can be established. If the law were to provide a greater amount than the person was getting, he could institute a claim. If the legal redress is more limited in Hull than in Ottawa, that is another matter.

The Chairman: There is no question of legal redress. Authorities do not pay any attention to the law. The law says that under the Canada Assistance Act you must meet the needs. The definition of need on one power is

one thing; the definition of need on the other power seems to be another thing entirely. Somebody should establish the need in a legal sense.

Mr. Vineberg: Yes.

The Chairman: Nothing much has been done either in Ontario or in Quebec about establishing that need. As a matter of fact, I don't think anything of consequence has been done in any other place in Canada. Ontario has had two cases in the courts on establishing the need, but nothing has been done in Quebec by any member of the Bar or in most of the other places with the exception of British Columbia which has had a few cases. That is what Senator Carter is getting at.

Mr. Gagnon: I don't know whether this is any answer to the problem, but there is an act in Quebec called the Social Assistance Act providing for an appeal to a commission. I am not sure whether that act has been passed by the House in Quebec.

The Chairman: That comes under the Canada Assistance Act which provides for appeal. The only province in Canada that has not invoked that is the province of Quebec. Every other province has the appeal procedure. Quebec told us they were too busy so that recently we have left them alone. Apparently they have had problems of their own. But it is the only province that has not got the appeal procedure. I don't think it is fair to say that these appeals are vital but at least they give the recipients the opportunity to go beyond the local people. That new proceeding is covered under the Canada Assistance Act.

Mr. Vineberg: I am not aware of any specific case dealing with this crucial question of the basic right as between the state and the individual that has been handled by legal aid within the past year.

Senator Carter: Then you don't have equality before the law.

Mr. Vineberg: The fact that there has been no case does not mean there is no right to have such a case. I do know that there has been discussion that if the occasion arises proceedings of this type will be instituted. I am not aware of any instance where it was felt that it was necessary to do so.

Senator Carter: In your brief you started out talking about certain rights, and I suggest that there is no use having those rights unless

you can enforce them. I am suggesting that the poor man does not have equal rights before the law if there has been no legislation of the legislation which affects his rights and if there has been no interpretation of his rights under these laws. So this is all part of the equality of justice and the equality of citizens under the law. If that is missing, then your equality is lacking too.

Mr. Vineberg: I could give you an illustration which has arisen in the Montreal district. We received a number of requests for legal aid from persons who had been arrested in the far north. They were Eskimos. The legal aid bureau felt immediately that the process of dragging the Eskimos from the remote areas where they were located and bringing them to Montreal and subjecting them to trial in Montreal was very unfair. It would impose hardships on them because it would be impossible for them to prepare defence or to have witnesses or anything else. In two cases the legal aid representative invoked the argument that as a matter of principle people from the far north should not be subjected to this procedure and should not be tried in the Montreal courts, but that there should be some proper organization to deal with their jurisdictional problems in their own area. As a result of that there were two consecutive judgments by judges in Montreal affirming the proposition that it was a wrong procedure and that the Eskimos should not be so handled. The department thereupon announced that it would no longer continue that practice. So there is an example of a principle being compared with an actual dispute between individuals.

Mr. Gagnon: There is another excellent example. About six weeks ago there was a problem in Shawinigan concerning a number of people having signed contracts for correspondence courses. It was felt that these people had signed under tremendous, undue pressure, and a body called the ACEF got involved and asked the help of the Bar. They said they had about 100 of these cases and that they felt something should be done about it, that these people were not wealthy and that unless the Bar helped them they would not be able to go to court and fight it out. Well, the legal aid bureau of Montreal took over those cases and they will fight out their cases on their behalf on the basis of legal aid, which means, of course, that it will be free of charge to them.

The Chairman: What you have done is splendid, but why was it done by the Bar of Shawinigan instead of Montreal? Those people should have been able to have their problem dealt with in Shawinigan without having to Appeal to the Bar in Montreal.

Mr. Gagnon: I don't wish to say anything against Shawinigan, but there is a reason for it. So far as local problems are concerned, there are very few lawyers remaining in Shawinigan. There were very few practising there before, and now some of them have been appointed judges.

Mr. Vineberg: Mr. Chairman, they are practically all judges in Shawinigan.

Senator Sparrow: You would think with so many lawyers being appointed judges in Shawinigan that there would be a great influx of lawyers to that area.

Mr. Gagnon: At any rate, in order to get the proper assistance to these people we felt we should help out and we did so. The Department of Justice became involved and asked if the Bar could do something. In response to that we opted for the solution we thought was the proper one, the one that would get the best results. Perhaps if Shawinigan had had a permanent legal aid bureau set up they could have handled it themselves. However, they do not have one and so we did it for them. That may be only the second best solution, but it is the best one in the circumstances.

Now, one of the problems of the legal profession is trying to give good service to remote areas. Other professions have the same difficulty. Doctors have the same problems and so do many other professionals.

Mr. Robert: If I may add something on this question, there is a certain amount of litigation concerning social welfare, and the claim is being made by citizens addressed to different agencies. If I may take one example that I know of and that is concerning the Workmen's Compensation Board. The Workmen's Compensation Board will refuse or will agree to give certain assistance to a person according to the act. The legislation provides for a petition being sent to the Board asking for a review of the decision rendered by the civil servant who has refused a grant, or for an increase in the amount of money granted, or to get assistance when assistance has been refused. In certain cases, and I have experience in these matters, where people were

dealt with in this fashion, assistance was given after a petition was made before the Board and evidence was presented before the Board. Unfortunately, the legislation, generally speaking, does not provide mechanisms to make an appeal from the decision of the civil servant or of the agency giving the aid, and I think we are ready to admit that the state of the administrative law as far as social welfare is concerned is not very well advanced, and many mechanisms should be set up within these agencies to provide the right for the citizen to make sure that his rights are recognized, and to permit lawyers acting for the citizen before these agencies to make sure that aid is properly given, because unfortunately the legislation does not provide too many mechanisms.

Senator Carter: In your brief you say that legal aid was established in Montreal in 1956. That is 15 years ago now. It seems to have had rather a slow growth, why is that?

Mr. Vineberg: It started off very slowly and was financed exclusively by the Bar of Montreal. In other words, 100 per cent of the costs of legal aid in 1956 was borne by the lawyers. We had no full-time lawyers at all; it was all done on a gratuitous basis. Now it is quite correct that it has moved slowly, but I might say that the pace of growth has accelerated in the last few years. We are pressing, we are anxious and we have importuned the Government to be allowed to double our operation in the next few years. So that, with a slow start, we are now moving more quickly at the present time.

Senator Carter: If I might project that into the future, do you have plans to expand if you get double your budget?

Mr. Vineberg: Yes, we certainly have.

The Chairman: If legal aid was established, as you say, in 1956, how do you explain the fact that in 1969 the Prevost Commission recommended that you establish legal aid? Would he not have known about this?

Mr. Vineberg: Yes. As a matter of fact one of the recommendations of the Montreal Legal Aid Bureau is reproduced in detail, word by word, in the Prevost Commission report where it refers to the evolution of the Montreal legal aid system. What he points out is that with the exceptions of Montreal and Quebec City, there was practically no legal aid throughout the rest of the province, and

his report recommended that it be expanded throughout the province.

Senator McGrand: Going back to this equality before the law or before the courts, assume an offender is brought before the court in order that justice may be done either to him or to someone against whom he has committed a crime. Now the Crown prosecutor is not in the court to seek vengeance; he is there in the interests of justice. That is what our courts are for. Now, in the case of a man who is charged with an offence and cannot afford to provide himself with a lawyer, why is it not the responsibility of the Crown to see that this man does get justice rather than being hanged by the neck until dead, or something of that kind?

Mr. Robert: It is to a certain extent the responsibility of the Crown to see that justice be done because, as you said, the Crown prosecutor is not there to win a case. He is there to see that justice shall be done and of course it is also the responsibility of the judge to see that justice is done. Very often, at least in the Province of Quebec, the judge will be more careful when the accused is not represented by a lawyer to see that everything is properly done. On the other hand, the judge or the Crown prosecutor cannot gather the materials necessary for the defence of the person who is accused because this would be in conflict with their mandate as Crown prosecutor and judge respectively and furthermore if the judge were to participate in the preparation of the case for the accused, he would lose his impartiality. So, it is necessary that there should be a lawyer acting for the accused who could gather the material, the documents and the witnesses to give a full defence.

Senator McGrand: But the Crown prosecutor does not go around looking for evidence. That is done by the police, and while the police are gathering evidence for the Crown, they are also gathering evidence that could be used for the defence.

Mr. Robert: And often they do not give this evidence to the defence. This is our experience. It may not be the ideal situation, but is a fact of life.

Senator McGrand: While there is this principle of equality before the law, two faces of it are presented, is that correct?

Mr. Vineberg: Well, senator, I think we have all been brought up under the adversary system, and lawyers will do their best to make the best case they can for their clients anticipating that the opposition will do the same thing. It is not unlike the parliamentary system where those on the Government bench will put their best foot forward on behalf of the Government and will in every possible way support Government legislation, while the opposition will do its utmost to find fault and all the defects they can.

Senator Inman: Could I ask a supplementary question to that? In a criminal case, cannot the Crown appoint a lawyer for the defence?

Mr. Vineberg: The judge can.

Mr. Gagnon: The judge will do so. This is one way of going about it, but again the judge will say "this man has no lawyer. You there, come and defend him." That is not the best way, but it is one of the ways it is done.

The Chairman: I think in fairness we should say that in a serious criminal matter, the accused can almost name his lawyer and he will be asked to represent him. He can name the best lawyer in Montreal or Toronto for his defence. Mr. Martin, Mr. Sedgwick and Mr. Arnup are three of the top men in Toronto and they have all been called from time to time to defend persons on serious criminal charges. The same thing is true in Montreal and, indeed, across Canada.

Senator Fournier: What makes one good and another not good when they are working under the same legislation and have the same books?

The Chairman: Who knows? There are many influences.

Senator Fournier: That is what the public do not understand. If you have a good lawyer, you win your case and if you have a poor lawyer, you are lost.

Senator McGrand: Going back to the question of bail, I remember last year a prisoner escaped from Dorchester Penitentiary, and while they were beating around the bushes near Dorchester Penitentiary looking for him for 24 hours, he was arrested in Toronto on a drug charge. Apparently he had got into LSD and had got into trouble and when they arrested him, they found that this was the man who escaped. This is why I mention bail.

These people who are rather elusive characters can get across Canada in no time. That is why I brought that up. Do you want to say something about that?

Mr. Gagnon: I think this is quite true. Every case has to be looked at on its merits, and maybe you would say to me, "This is all right, but you people keep the man in jail for two or three weeks before making up your mind whether he should be allowed bail or not." I think the answer to that is that the courts should have at their disposal investigators and trained people who could easily advise the court as to the aspects which Mr. Robert has discussed—whether he has a family, whether he has a stable job, etcetera. If he is a known criminal, that is another problem too, but then the investigator would look up his record and tell the judge, "Well, you have got to be careful of this man. You might find this man in Toronto on LSD."

Senator Hastings: I would like to discuss section 14 on page 4, where you say:

It would be relatively simple for the State to retain the services of the aggregate of lawyers and to assign them to the defence of citizens before the courts. This structure however entails such disadvantages that the role of the attorney becomes impossible.

Why does it become impossible?

Mr. Robert: Because of the three reasons mentioned in paragraphs 15 and 16.

The first reason is that the attorney or the lawyer acting for a person must be completely independent. If he is working for the state or is an employee of the state and is defending a citizen against the state, there will be internal conflict of mandate which, in our opinion, will not produce the best result.

Secondly, the lawyer is receiving confidential information, and the relationship between lawyer and client must remain privileged. If he is working for the state this information will be in the state's files or in his office files. Again, we also believe that this principle of confidential information will not be respected.

The third aspect is freedom of choice. If the state hired all lawyers and assigned them to the people of the state, then it would become necessary for the state to organize the distribution of services. In other words, certain lawyers would be assigned to District "A" and other lawyers to District "B," etcetera.

Then it would become impossible for the citizen to choose freely his lawyer, and it would become impossible for the lawyer to choose freely his client. Again, we believe this third principle would not be respected and would not produce the best results. I think it is more or less a necessary implication of a real, democratic society.

Senator Hastings: When the Crown appoints the defence for a man charged with murder, you are saying it is impossible.

Mr. Robert: The appointment is not made by the Crown; the appointment is made by the judge.

Senator Hastings: Representing the Crown.

Mr. Robert: No.

Senator Hastings: Well, he is paid by the Crown.

The Chairman: By the state.

Mr. Robert: He has an independent status which is very special. He is appointed under an act which provides for a salary, and his appointment can only be revoked under the federal system by impeachment, which has never been done, to my knowledge. For provincial judges, their appointment is revoked by the Lieutenant-Governor in Council after inquiry and advice from the Court of Appeal, which has never been done in the past. So, they have a certain independent status which is not given to other civil servants. That is why I think their impartiality is guaranteed by their life appointment and by their status, and I think that is why they can make an independent decision.

Mr. Vineberg: In our province the judge does not usually name the lawyer, but refers this problem to legal aid, and the legal aid bureau makes the appointment. The judge does not usually ask Mr. "X" or a particular lawyer to handle a particular case, except very rarely where there are no legal aid personnel available.

Senator Hastings: Yes, but the defence attorney is paid by the Crown for defending the criminal.

Mr. Vineberg: Paid by the Crown?

The Chairman: Paid by the state.

Mr. Vineberg: You mean because there is legal aid?

Senator Hastings: No, I am saying that if I am charged with murder this morning and I need a lawyer, the judge will appoint my lawyer for me and the state will pay for my attorney.

Mr. Vineberg: In that system where the judge designates a lawyer, he is usually not paid at all.

The Chairman: No, Senator Hastings is perfectly right. Let us take what you call the ideal system in the Province of Ontario. It is the ideal system.

Mr. Vineberg: We do agree, and the Prevost Commission considered it the ideal system.

The Chairman: I did not read the Prevost Commission report, but I know it is the ideal system, knowing some other systems. In that case the legal system will say, "Who do you want?" And the individual says, "I want so-and-so." He is appointed and is paid in a serious matter. In that case, is not that the basis of equal justice?

Senator Hastings: That is the point I am making.

Mr. Vineberg: In the Ontario system he is not paid, at least in the first instance, by the state, but by a relatively autonomous organization administered by the Bar.

The Chairman: Except that the money comes from the state.

Mr. Vineberg: Yes.

Mr. Gagnon: Maybe, Mr. Chairman, there is a difference, and it might not only be a word, because, as Mr. Justice Bora Laskin said, "Let us not quarrel over words but look at the substance." I think there is a large difference between a lawyer who is an employee of the state and a lawyer who receives money from the state through the Bar which is subsidized by the Government.

Senator Hastings: Does it have to go through the Bar?

Mr. Gagnon: The lawyer retained is independent and the Bar will never interfere and has no interest in interfering with what lawyers legally do. They would not look into the file; this is confidential. As President of the Bar of Quebec, if I wanted to stick my nose in a legal aid file, the lawyer could say—Well, I will not put it the way I thought

of it, but he would tell me to go somewhere else. I could not go and look at that file, even if I wanted to. At the present time the Bar receives money from the state for that particular purpose.

Senator Hastings: It seems to me the arguments you are using here are quite familiar and I have heard them before from physicians when we discussed Medicare.

Mr. Gagnon: Well, maybe.

Mr. Vineberg: Does it mean because they were alleged by physicians they were not good?

Mr. Gagnon: I had better consult my doctor!

Mr. Robert: I think the source will be always the state; I agree with that. But I think the form of the payment is very important. In other words, if you have a permanent employee of the state who is a lawyer and who could be promoted in the future, there is a difference between this lawyer and a lawyer in private practice receiving a sum of money predetermined by a tariff for doing a specific task, as in the legal aid system. Then I think that he remains completely free, but if he is a permanent employee, paid by the state on a salary basis, with all the implications that that system has, then he is no longer as free as he was, and I think the services rendered the population would not have the same force or quality.

Mr. Vineberg: Within that same area, senator, we have been asked a question, in the Bar of Montreal in relationship to the new court house being erected in Montreal, as to facilities for the legal aid bureau. They had projected that possibly the legal aid bureau could be installed in the new court house and, of course, the accommodation would be very superior in physical terms, but we took the position opposed to it, because we felt that to ask those people who would be obtaining legal aid to go to the court house would be to convey the motion to them of a duality of both the attack and the defence, and psychologically it would not be desirable to ask them to present themselves at the court house to look for a lawyer. We would be much better off having accommodation elsewhere, although undoubtedly it would be inferior.

Senator Hastings: You mentioned the figure of 3,300 civil cases handled by 1,000 lawyers.

Do the 14 in the legal aid bureau handle criminal cases?

Mr. Vineberg: Most of them, but not all, are criminal.

Senator Hastings: How many cases did those lawyers have last year?

Mr. Vineberg: It would be thousands. We have a report containing the figures, which we would be happy to forward to you.

Senator Hastings: Would you describe how the legal aid system operates in Montreal at the present time, with reference to the bureau and its 14 lawyers?

Mr. Vineberg: We have an office close to Place d'Armes, which is within three or four minutes walk of the courthouse. The 14 full time lawyers are there in addition to a staff of secretaries, switchboard operators, file clerks and other administrative personnel. We have tried to augment the staff with social workers, but we are in the very early stages.

Applicants address themselves to legal aid through a variety of channels. We have found that whenever there is publicity regarding legal aid, such as on television, the number of applicants invariably increases. Referrals to legal aid are made by the courts and other lawyers. Aid is made available through the clinic in Point St. Charles. In addition to this a large number of referrals are made by social agencies.

The applicant's case is reviewed and analysed to ascertain that it is a legal question and how it should be handled.

Criminal cases, in which the applicant may have to appear in court the next day, are matters of the greatest urgency.

In all instances an examination is made as to qualifications for legal aid with respect to financial circumstances. However, the criteria for this are not very exacting, nor do we have the opportunity to make a very detailed test. We consider it would be impracticable to do so. We cannot decide that a person earning X dollars is not entitled to legal aid. In some circumstances he may have a wife and seven children, or no family responsibilities whatsoever. Therefore we have general and not very precise provisions. An applicant for legal aid is very rarely disqualified.

If it is a matter that can be dealt with by a mere inquiry, it is handled on the spot by one

of the local lawyers. If this cannot be done, in a civil case we will delegate a lawyer in town to deal with it. By means of a rotation system we call upon individual lawyers, of which there were over 1,000 last year. The lawyers will then institute or defend a lawsuit. They are not entitled to compensation except to the extent that they have incurred out-of-pocket expenses for court writs and so on. We have even provided that they are not entitled to taxi fare or incidental expenses of that type.

A case may last for a week, a year, or two or three years. They are of all types although, as I have indicated, a very large part has to do with matrimonial relations and troubles of that type. We have been criticized for not taking certain cases. However, we do not have the facilities to act for the plaintiff in a divorce proceeding. There is no moral judgment involved.

We do not normally take a case involving a claim in damages arising from an automobile accident, because our laws have now been relaxed to the point where lawyers are permitted to take a case where the compensation is partly determined by the results. If it is a valid case, the lawyer will take it and be able to charge depending on the results.

By exception, however, where an individual has no resources with which to retain a lawyer we will proceed. Also by exception, where a person has started a case, paid for it, exhausted his funds and perhaps lost the case, in exceptional cases we have taken appeals where matters of principle were involved or there appeared to be a grave injustice.

Appeals are very expensive. We sometimes have to spend as much as \$3,000 just to print the record to go to appeal. Expenditures of that magnitude are not made as a matter of course.

Through the 14 full time staff and with the entire Bar in Montreal available to be called upon, we do the best we can, which I am the first to admit is far from adequate.

Senator Hastings: You have described three methods of referral. However, a man already in jail and appearing in court this morning has no contact with you first.

Mr. Vineberg: If he is already in jail he is interviewed there.

Senator Hastings: Before he appears this morning?

Mr. Vineberg: He is interviewed as soon as we are aware of the need for legal aid.

Senator Hastings: How does he get to you?

Mr. Vineberg: He is usually told by someone in the courthouse that he can call on legal aid and he usually does.

Senator Hastings: I find that they are not told that though.

Mr. Gagnon: There is a problem there, but in Quebec I know that every morning in social welfare court and the criminal court there is a legal aid lawyer present.

Mr. Vineberg: We do the same in Montreal.

Mr. Gagnon: The lawyer in attendance will appear for him, plead not guilty and inform the court that he will discuss the case with his client. In this event the case is remanded or bail given.

Mr. Robert: The judge will have the accused arraigned and ask him if he has a lawyer. If he has not the judge will have him returned to the cells where the legal aid lawyer interviews him.

Senator Hastings: We have had witness after witness from the poor maintain that their rights have been abrogated by the state with respect to their home by search without warrant, arrest and detention. Have any of the 3,300 cases and the others you have referred to been against the state with respect to the rights of the individual?

Mr. Robert: Not of the 3,300 cases, because they were civil. Certainly in our experience of criminal matters, very often the police will detain someone for what they call enquiries, without laying a charge against that person. The Bar of Quebec, when it made its submission to the Prévost Commission, said that we violently opposed any kind of measure called by the police "detention for enquiries". We certainly disagree with any actions taken by the police authorities in that respect. Either the man is guilty of something and should be arrested, accused and appear immediately, or as soon as possible, before a judge, and be given bail if he deserves it...

Senator Hastings: I agree, but have you instituted any proceedings on behalf of any individual against the state for unlawful detention?

Mr. Gagnon: On legal aid I do not know, but I know there are cases, not many, in Montreal.

Mr. Robert: Action in damages against the police authorities and against the state for illegal arrest.

Mr. Gagnon: Unjustified arrest.

Mr. Robert: Unjustified arrest and illegal detention, and many of these cases were won.

Senator Hastings: Have you instituted any under legal aid?

Mr. Robert: No.

Mr. Gagnon: Not to my knowledge.

Mr. Robert: Let us say that the presence of legal aid lawyers has probably effected a change in the mentality, and also the fact that the Prévost report was submitted to the government has slightly changed the attitude towards the police authorities.

Senator Hastings: I appreciate that the attitude is changed, but I find it strange that in the last year your legal aid bureau has no instituted proceedings against the state in any cases.

Mr. Vineberg: We are defending the individual against the state when we appear in criminal courts. I cannot say I know of any cases in which we have taken other action against the state.

Mr. Gagnon: Maybe the Director of Legal Aid can tell you, but I say in all truth that I do not know of any personally. There may be cases.

The Chairman: That is the truth; there are no cases. We have made enquiries to ascertain. There were only three cases in the whole country, two in Ontario and one in British Columbia. Quebec just has not had any, to date.

There are two or three matters that have arisen before the committee. When we heard the evidence of the Legal Aid Clinic from Quebec, I got the impression from Mr. Cooper, the young lawyer, that they were just starting, that they had not really done anything at all, that it was in its embryonic stage.

Mr. Vineberg: That is true of Mr. Cooper's activities. He is actually a "stagiaire", a fourth year law student, hoping and expecting to pass his bar exams within a couple of

months. It is he who has been engaged in taking charge of the Legal Aid Clinic in Pointe St. Charles, of which the Batonnier spoke a while ago. That is a special outdoor clinic in which he has been interested. It was perhaps that work that he was speaking of, or just beginning.

The Chairman: Not the legal aid system as it exists at the present time in Montreal?

Mr. Vineberg: Oh no.

The Chairman: Who is the head of that?

Mr. Vineberg: Emil Colas is the head of the Montreal Legal Aid Bureau.

The Chairman: Who is the head in Quebec?

Mr. Vineberg: Roger Thibodeau.

Mr. Gagnon: A former partner of Mr. Justice Pigeon.

The Chairman: When does he get appointed to the bench?

Mr. Vineberg: His name has been mentioned.

Mr. Gagnon: I am sure he would like to have the answer to the question!

The Chairman: You spoke of 3,300 cases. I know what you are talking about. The history of legal aid in the United States is that it costs them about \$11 a case. That is the normal cost the state is put to in a given number of cases; that is the California result and the New York result. I do not know what the Ontario result is; I cannot tell you that offhand. In the light of that, 3,300 cases do not seem to be very many, do they?

Mr. Vineberg: I do not think you can draw a comparison from the statistics, for this reason. I have seen some of these estimates of so much a case and the like. When we speak of 3,300 cases, we mean the number of cases involving court proceedings. We do not mean that many legal aid problems. Only a relatively small percentage of legal aid consultations result in actual proceedings before the courts. That is for a number of reasons. In some instances it is found that there is no legal problem at all; it is rather a medical, psychological or social welfare problem, or somebody just wants to complain about the situation; but there is no problem of a legal nature. In other cases it is an administrative matter that must be referred to some government department.

In some other cases it is only a question of consultation, which can be handled on the spot. We do not cover any of these when speaking of 3,300 cases. We do not cover the situation when somebody comes in wanting advice about whether he must pay the landlord the rent, or whatever his problem is.

We are discussing the situation where there are court proceedings. I can assure you that the costs of these court proceedings are ever so much more than anything like \$11 a case. Many legal aid cases involve perhaps appearances for relatively minor offences before municipal courts, and believe the \$11 figure involves computations based on that. That is not handled by the civil section at all, and is not within their competence.

The Chairman: The \$11 is the overall total cost.

Mr. Vineberg: The 3,300 cases we are dealing with involve a cost per unit—I have not the figure, but I am quite confident about it—of quite a few times \$11.

The Chairman: Yes, I gather that.

Mr. Gagnon: The 3,300 cases farmed out are only a very small part of what legal aid is doing. There is consultation with all criminal work. With all deference to you, Mr. Chairman, I have checked the figures in the States; the Prévost Commission deals with that, and I find that the lowest overall cost in Los Angeles is \$11.

The Chairman: That is right.

Mr. Gagnon: If you look at the whole American picture you will see that it goes as high as \$32 and \$40 per file. Boston is more expensive and so on. We dealt with that specific problem in December when we had a meeting with the Prévost Commission and the Department of Justice. \$11 is the lowest figure in America.

The Chairman: Yes, that is quite so, but we are talking about poor people receiving assistance. We try to give it to them as cheaply as efficiently as possible.

Mr. Gagnon: I agree.

The Chairman: That is the best system I can think of. I think Mr. Robert made the point in answer to Senator Hastings that if "people's protectors" were established in the same way that we have crown attorneys, they would not be completely independent. I could not quite understand why a crown attorney

can be completely independent and a people's attorney could not be independent.

Mr. Gagnon: I would say in answer to that that a crown attorney is not completely independent. Of course, his duty is to see that justice is done. He is not there to get a conviction, but I would seriously question his complete independence. He receives orders from the Department of Justice, although not on the way he should handle evidence. I do not think he is an independent man. I think the defender should be independent.

The Chairman: You have just shaken my faith in justice—for the President of the Bar to indicate that the crown attorney is not an independent man. If he is carrying out his duties, how could you conceive that?

Mr. Gagnon: It all depends on the point of view. If you think I am saying that the man should direct his case according to instructions received from the Minister of Justice, I think it would be terrible.

The Chairman: That is what I thought you said.

Mr. Gagnon: No, this would be terrible, but at the same time the Department of Justice may say: "You lay a complaint in that case".

The Chairman: That is administrative, and has nothing to do with justice in itself. I am talking about the broad independence. We are talking about the people's defender—that is what Senator Hastings was talking about—and comparing him to the Crown Attorney. I will carry it one step further. The Americans have made the most progress in social law of any place in the world, in the interpretation of social law, because they have taken cases up to the Supreme Court of the United States, and they have had some decisions. They have used the people's advocate. I have never seen a question raised about the independence there, and I have always been under the impression that they did an excellent job. They have given their poor people far better representation than we have in any place in Canada.

Mr. Vineberg: Except Ontario.

The Chairman: Yes, except perhaps Ontario.

Mr. Gagnon: I think Ontario certainly is doing a marvellous job, but it has its problems too.

The Chairman: Several million dollars have been spent in Ontario, but as an Ontario citizen I could not care less how much they spent as long as they give the service and that is their feeling. I am not suggesting that the provinces are not doing their job. As I see it. You find Nova Scotia spending \$50,000 and Manitoba spending \$160,000 and Saskatchewan \$200,000, and British Columbia a couple of hundred thousand dollars, and Alberta a quarter of a million dollars. You have to realize that in Quebec, with your population, you have got more poverty there, percentage-wise, than any of the other provinces has. So you have a real problem. We find that problem, as the witnesses come before us. Mr. Robert, who is a lawyer, has said that nobody knows what the social law is on this. He is quite right in what he is saying, but the people coming before us know a great deal less, they do not even know what to look for, and they come to us and ask what their rights are. It is hard for us to tell them what their rights are. What are their rights? What are you lawyers doing about making sure that these poor people have their rights protected so that you do not get another Prévost report—which did not do you much good, as you know.

Senator Inman: I would like to ask about housing disputes between landlord and tenant. Does legal aid handle that?

Mr. Vineberg: Yes, there has been quite a few.

Mr. Gagnon: I have had some myself, personally.

The Chairman: Those would be real ones, that get into landlord and tenant legislation.

Senator Carter: You have 14 full-time lawyers, employed by Legal Aid. Are they lawyers who have come to you straight out of college, or are they lawyers who have started practice and have given up their practice for this work?

Mr. Vineberg: There is no single answer to that, except that they are by no means lawyers who have come to us straight out of college, because we prefer lawyers with at least some experience. We do have lawyers at different ranges. The head of the Legal Aid Bureau is a lawyer who would have about 35 years of practice and there would be other lawyers who would have 25 or 30 years of practice. It is true that, in the main, the Legal Aid personnel are recruited from younger

lawyers, but that is not exclusively true. We have a representation of lawyers of different ages.

I may say that we had difficulty in our recruiting policy. It is not always easy to get the man we want for legal aid work. We try to achieve some kind of balance. We do not like to take, in the main, students who are just out of college and have had no experience. We like lawyers to have some experience before they come to legal aid. But we are prepared to take lawyers with very little experience, and we also use stagiaires—that is, students in the fourth year—who can do a great deal of work by making routine appearances in courts, arguing certain motions, visiting prisoners in jail, and so on.

Senator Carter: What is the turnover in your staff?

Mr. Vineberg: We have had problems. I would say that in the last year or so we lost perhaps two or three.

Senator Carter: For the most part they stay with you and make a sort of career out of it?

Mr. Vineberg: Yes, some of them have. Of course, we have not been operating long enough to say that. Recently, we lost through death one of our men who had been with us for a long period of time.

Senator Carter: You paid a very high tribute to the legal aid system of Ontario, and our chairman agreed. Everything is topnotch there. I presume that if you get your grant doubled you will more or less imitate the Ontario model?

Mr. Vineberg: We are not at the stage where we are proposing to imitate the Ontario model. And we are not asking for that. The reason why the Ontario model enjoys the esteem that it generally does in the legal world is that it is so far-reaching so generous, because it is prepared to grant legal aid on almost a universal basis. It is also prepared to subsidize the cost of legal aid through compensating the lawyers up to three-quarters of the regular tariff, which means that every lawyer in Ontario called upon to render legal aid will get paid for it. We are not asking for that in Quebec. Eventually that may come, but we would be quite content to concentrate on a greater extension of legal aid at the level where we have more full-time employees. Our current plans would be to double our 14 in Montreal—that is just

as an illustration, as I am speaking for the Bar of Montreal—and to engage more social welfare workers, psychologists and other personnel to round out our work of legal aid.

Senator Carter: You mention legal aid centers in your brief. That is what you have in mind?

Mr. Vineberg: Yes.

Senator Carter: We had a witness before us—I think it was when we were in Toronto—who had some ideas for improving the Ontario system. His idea was that the Ontario Legal Aid System was a bit too passive.

The Chairman: I looked at that yesterday. Actually, what he said, if you recall, was that the lawyers were not participating.

Senator Carter: My understanding of his criticism was that they should be more active, that they should be out in the community; that they should not be waiting for problems to come to them to their centre, but they should be seeking out the people with problems and attempting to clarify the legal position of the poor people vis-à-vis the agencies they have to deal with. I gather that you have a sort of germ of an idea like that in your legal set-up, but as I understand your brief you do not envisage this concept at all, and I think this is the concept you should be aiming at.

Mr. Vineberg: We do a couple of things in the Bar of Montreal, although they are by way of being preliminary, in that direction. We have two radio programs at the moment, *Le Barreau au Micro* in French and a counter program in English, in which we answer questions from the general public on the basis of an hour or two every week on different subjects, in order to advise the public on legal problems, their legal rights, and so on. We held a program, let us say, in the month of March, and a large number of questions were on landlord-tenant relations.

In the French program we handle all cases as they come. In the English program we follow a different routine. We try to discuss a different subject for each program and try to narrow it down to that particular subject. We might deal with criminal law one week, drugs the following week, the White Paper the next and so on. We find that that helps a little bit in giving the public some understanding about legal problems and where to go for assistance and so on.

We also contemplated the possibility of publishing material about these things and making it available to the public.

Only this past year we introduced a legal reference service. It is not intended to be a substitute for legal aid. In fact, it perhaps caters to the portion of the population which is somewhat better off than those who go for legal aid. But it is intended to guide people to lawyers when they want to ask where to go in any particular sphere. We often find it necessary to refer these people to legal aid.

Senator Carter: Do you have to pay for this time on radio?

Mr. Vineberg: No, it is by co-operation with the radio stations. We don't charge them; they don't charge us. They are happy to have us as a public interest program. We have thought about doing a similar program on television, but we have not been able to work out a satisfactory method. Incidentally, I might say that we don't allow the lawyers on radio to identify themselves, for obvious reasons.

The Chairman: You cannot get on C.B.C. television until you become a little more violent.

Mr. Vineberg: It was suggested to us that we would have to put on some kind of play, like an imaginary trial.

Senator Hastings: I should like to deal with the matter of legal care for a moment. On page 4 of your brief you use the following words:

In effect, the attorney would become the employee of an employer whom he is often called upon to contest before the courts.

Does the fact that he is paid by your legal aid with money from the state have an effect upon the job he does?

Mr. Gagnon: My answer is that I am personally convinced that he is isolated from any influence from the Department of Justice, to put it bluntly. A lawyer in legal aid today is free to act on behalf of his client. We don't think that he would be that free if he became an employee of the Department of Justice or even of a state agency.

Senator Hastings: Why?

Mr. Gagnon: Because he would be under the influence of persons who administer jus-

tice and who have another interest than the defence of a client.

Senator Hastings: I am thinking of a legal care commission charged with the administration of legal care in a province.

Mr. Gagnon: Well, a commission... apparently the government of Quebec is moving toward the solution whereby a corporation would be set up, but which would not come under, for example, the Public Services Act. It would be a Crown corporation, if you might call it that loosely, but it would ensure a separation between state and legal aid. I would not quarrel with that. As to whether it would be a commission or not, personally I don't think that is the solution. I would not quarrel with a public corporation, however.

The Chairman: In Ontario and every other province having legal aid none of the lawyers who are giving the service to the poor are inhibited by what you consider to be a serious inhibition.

Mr. Gagnon: They are certainly not inhibited in Ontario. The Bar has full control. They have 100 per cent control.

The Chairman: In the rest of Canada the other provinces are in the same position. The people who are giving the legal aid don't feel inhibited. They take their position on behalf of their client regardless of what the state has in mind.

Mr. Vineberg: Our lawyers working in legal aid sometimes find they are criticized by the Crown prosecutors, who complain that there are not as many guilty pleas as there used to be. There are too many contestations.

The Chairman: But that happens in Ontario.

Mr. Vineberg: But they are proud of the criticism.

Senator Hastings: Who criticizes them?

Mr. Vineberg: The Crown does, saying that there is far too much contestation, that there are not as many automatic guilty pleas as there used to be.

The Chairman: That is true.

Senator Hastings: I can easily understand that.

The Chairman: That is good.

Mr. Gagnon: With respect to the point raised by the Chairman, I should like to point out that we are, of course, part of the Conference of Governing Bodies of the Legal Profession in Canada, and, as such, part of our responsibility is to review legal aid matters. I may be ill informed, but to my knowledge there is no province in Canada where legal aid is controlled either directly or indirectly by the government or by any department of the administration.

The Chairman: That is what I am saying. I am not suggesting that the government controls legal aid. The government pays the shot, but it is being controlled by the law societies. But you are objecting to that.

Mr. Vineberg: No.

Mr. Gagnon: No, we are certainly not objecting to that. We are objecting to a state organization.

The Chairman: Well, I think the term "public defender" was used. The money comes from the state and I understood that you were objecting to that.

Mr. Gagnon: No.

Senator Hastings: You say the role becomes impossible.

Mr. Gagnon: No, we object to the proposal set forth by the Prevost Commission which says that lawyers of legal aid should be part of the Public Service and should come under the Public Service Act. In other words, they should be public functionaries or public servants. We object to that. We certainly do not object to the Ontario situation or the situation existing in other provinces. And I add that in Quebec they are going even further. If the government enacts a legal aid act by which there would be a public corporation set up, Quebec would be the only province in Canada where a public body rather than the Bar has control over legal aid. But we are prepared to make even that compromise so long as we stay clear of the Department of Justice. We don't think we should be under the Department of Justice, except under the ordinary supervision of everyone who receives grants.

Senator Hastings: As I understand it now, you are opposed to the hiring of lawyers by the state for legal aid purposes.

Mr. Gagnon: That is right.

Senator Hastings: But you have no objection to lawyers being paid by the state through an independent commission for the handling of legal care of the citizens.

Mr. Gagnon: No.

The Chairman: The difficulty is that you senators are not lawyers. They are saying that they are glad to have the state pay them so long as the lawyers control the legal aid. We provide them with the funds but they run the organization.

Senator Hastings: The same as the College of Physicians and Surgeons.

The Chairman: Exactly.

Mr. Gagnon: Bluntly, this is true, but I think we state our reasons for that quite clearly. There would also be many other things for us to do. Incidentally, when I refer to lawyers who are responsible for the other things for us to do. Incidentally, when I refer those to whom we pay salaries. I am referring to people like Emile Colas, who has worked in Montreal legal aid for 14 years and has never had a cent from it. It has not been to his own benefit at all. We feel that it is the best way to serve the public. It does not give Colas, for example, anything.

Senator Fournier: Referring to legal aid again, I should like to know who applies for legal aid. Is it mostly the poor people? Could a senator apply for legal aid in Montreal?

Mr. Vineberg: As I mentioned earlier, senator, we do have certain criteria of acceptability. Persons who can afford to pay for legal services are not supposed to be given legal aid. Generally, we take the declaration of the individual concerned as to his status without investigation. But where a person is earning a good salary or has income of his own he cannot apply. He is not qualified for legal aid. It is only where he is economically not in a position to pay for a lawyer that he is qualified to apply for legal aid.

Senator Fournier: Is your office in Montreal a very busy place? Are people waiting in line for your services?

Mr. Vineberg: Yes.

Senator Fournier: As a rule?

Mr. Vineberg: Yes. It is not only that they are waiting for services, but I have to admit that they may have to come back later to

have their problem actually dealt with. There are intermittent waits, but I might say that for better or for worse this is the situation in law offices generally, and sometimes clients who are paying large fees have to wait for legal services.

Senator McGrand: Did not the Province of Ontario run into that problem of people who can afford legal aid?

Mr. Vineberg: Yes. There have been a number of cases of abuse under those systems.

Senator Fournier: My last question is this; you are talking about getting more money and that the demand is there and if you had more money, you could serve more people. You mentioned that there were 34,000 cases. But how many did you refuse? Could you develop that capacity?

Mr. Vineberg: It is a case rather that we do not feel that we are anywhere near our potential. We do not go out and let the public know of our existence or of the existence of legal aid to the degree we ought to, or to the degree we would if we had the proper facilities. We are almost on the horns of a dilemma; if somebody makes a public statement about the wonderful work that legal aid is doing, instead of being happy with the compliment, we are embarrassed by the inflow of additional work without additional personnel to handle it. We feel that not everybody knows about legal aid and everybody who would be entitled to legal aid or who needs legal aid are not informed of it. If we had a greater personnel, we would do something to advise them about it instead of being relatively passive in that sphere at the moment. We would go out and look for clients.

Senator Fournier: Do you know how many cases you turn down in a year roughly?

Mr. Vineberg: No. It is only that we turn down categories of cases. We do not turn down cases as such. We never say to a person who is economically qualified for legal aid that we cannot handle his case. It is rather a situation where we do not go out of our way to attract these people. And we do not get the full potential of servicing the amount of legal aid where it is necessary.

Senator Fournier: I think I can add that through the representations we have received here even from Montreal very few people

among the poor are really aware of your organization.

Mr. Vineberg: In all fairness I might say that there are some other institutions other than the Bar that conduct some legal aid work. For example, there is a Jewish organization in Montreal known as the Baron D'Hirsch which has had something of a legal aid organization for about 35 or 45 years, in the sense that they will have somebody present who will give advice to people within their area who need it. At the moment it is run by a lawyer.

The Chairman: Yes, but it is very narrow in its approach.

Mr. Vineberg: That is right. It is not handling cases, but it is giving advice and suggesting where somebody might go to obtain an old-age pension and so forth. There are similar institutions of that type as well who co-operate. They do not handle any cases in the sense of going to court. They will listen to somebody and then say "oh, yes, you need a lawyer; we will send you to the legal aid bureau." And then if actual courtroom representation is necessary, they will send these people to us.

The Chairman: Yes. But what you are saying, Mr. Vineberg, is that in Montreal you will find that the Ukrainians and the Polish and the Jews and the Chinese and others

through their various social organizations, will do that kind of work, fill in an old-age pension form or make applications for a passport or inform people how to make applications for many things. That is normal. But when it comes to legal aid, they immediately move then on to somebody else, because they do not have the facilities beyond giving advice. That is normal every place in the country.

Any further questions?

If there are no other questions, before closing, I wish to congratulate these gentlemen and ask them to carry our congratulations back to their Bar. We extended an invitation to every Bar in Canada to come before this committee and the Bar of Montreal is the only one which accepted our invitation.

Gentlemen, you came here, and while you did not claim to be perfect, at least you were prepared to face up to some of the social problems that face the poor people of this country. We compliment and thank you for that. What you have done has further enlightened us with respect to the amount of work still ahead for us. On behalf of this committee, I thank you three very distinguished gentlemen, for coming here today and helping us in the way you have done.

Thank you very much.

Whereupon the committee adjourned.

APPENDIX "A"

Report of the Bar Association
of the Province of Quebec to the Special
Committee of the Senate on Poverty

Introduction

1. The Bar Association is a professional corporation grouping in excess of 3,000 members throughout the territory of the Province of Quebec.

2. It does not appertain to the Bar to express itself on the aggregate of the causes of poverty which affect certain sectors of the Canadian population. Essentially, by reason of the role conferred upon it by its enabling statutes, the Bar is primarily aware of the situation which prevails in the administration of justice as regards destitutes.

3. Evidently this does not prevent individual members of the Bar from questioning themselves as to the sociological and economic cases of poverty, but the Bar, as a constituted body shall limit itself in the present brief to the formulation of recommendations as to improvements to be made to existing laws and to the structure of civil and criminal justice.

The Principle of the Equality of Citizens
Before the Law

4. The Bar has always recognized the principle of equality of citizens before the Law. All are equal before the Law, except as to those restrictions formulated by the legislator itself in favour of minors and incapables. These restrictions have for object to afford an additional protection to certain categories of citizens in the light of their situation of inferiority before the Law. In this manner the equilibrium is re-established.

5. This principle of equality of citizens before the Law means that the legislator, in the making of its laws, must not afford to one citizen advantages or privileges as regards other citizens. The Bar has always opposed and will continue to oppose any such form of legislation.

6. But this principle of equality of citizens before the Law, although valid in itself, is in practice not respected if citizens are not on the same token equal before the administration of justice whether before the tribunals of

the common law, administrative tribunals or even before the State. In effect, of what use are equal rights when one is incapable of enforcing them before the tribunals on the same footing as one's neighbour. The theoretical recognition of the principle of equality must be accompanied by the concrete possibility of enforcing these rights.

7. The equality of citizens before the administration of justice entails, therefore, the recognition of the principle of the most complete accessibility of citizens to judicial services.

8. It has long been recognized that the State must furnish to the totality of its citizens judicial services and this from the product of general taxes. In effect, the State builds courthouses, names and pays judges, puts into effect the machinery for the administration of justice and assumes the expenses thereby offering to citizens judicial services which permit them to submit their differences to an independent arbitrator for a final and binding decision.

9. Meanwhile, since the establishment and development of the judicial system and by reason of the ever increasing complexity of our judicial rules, a result of our post-industrial and urbanized social structure, the presence of a specialist in the law becomes almost necessary to assist the citizen who presents himself before the administration of justice.

10. It is obvious that it is the judges who are the first guardians of the rights of citizens who appear before them but their role as impartial arbitrator does not permit them to actively aid one citizen who presents himself before them. In effect, if he were to take part in the preparation of the case of one of the parties there is the danger that his impartiality would be whittled away and that as a result he would be unable to render the judicial service expected of him.

11. This role of mandatory of the citizen before the courts and at the same time the

role of technical counsellor reverts to lawyers who have received the particular technical preparation and who have a specific competence on the aggregate of our juridical and judicial system.

12. The Bar recognizes the right of each citizen to obtain the services of a lawyer whatever may be his financial situation since, without it, citizens are not equal before the administration of justice. It is well evident that if one of the parties is represented by an attorney whereas the other is not, the principle of equality is ill-applied.

13. The State itself, at all levels possesses its own attorneys whose fees are defrayed from the aggregate of contributions of citizens. It is more than natural that the citizen himself in a confrontation with the State should equally be represented by an attorney.

14. It would be relatively simple for the State to retain the services of the aggregate of lawyers and to assign them to the defence of citizens before the courts. This structure however entails such disadvantages that the role of the attorney becomes impossible.

15. In effect, the attorney would become the employee of an employer whom he is often called upon to contest before the courts. The attorney would be the recipient of confidential information which he may not divulge to anyone when at the same time his files would be in the hands of the State. The client has the free choice of attorneys and the attorney, the free choice of clients. This freedom could not be respected within a State structure.

16. It is for this reason that the Bar although favourable to the principle of judicial security is opposed to the establishment of a system entirely administered and financed by the State.

I—Judicial Security

17. In 1956 the Bar of Montreal and the Junior Bar of Montreal established an office for legal aid. This office was administered and entirely financed from the contributions of the member attorneys of the Bar of Montreal until only just recently.

18. Meanwhile the needs of the population of the region of Montreal have through the years become so important that the Bar of the Province of Quebec established on January 11, 1968, a research committee to "investigate the necessity of legal assistance in the Province, the organization of same under the aegis

of the Bar, its financing, etc. . . with a view to making the appropriate recommendations to the government of the Province."

19. This committee headed by Me Emile Colas, c.r., of Montreal submitted an in depth study of the problem to the Bar of the Province of Quebec on August 21, 1968. Reproduced herein are the general conclusions of the Bar of Montreal which are to be found at pages 53 and following in the report.

20. The executive committee of the Bar of the Province of Quebec studied the report and formulated its recommendations to the General Council on October 11, 1968. These recommendations were subsequently adopted by the General Council.

21. The recommendations of the Bar of the Province of Quebec to the government of the Province are reproduced in extenso and are submitted to the special committee of the Senate in twelve specific conclusions:

22. It is urgent that the system of legal aid in Quebec be amplified.

23. Legal aid may be afforded to any person who by reason of insufficiency of resources finds himself in the impossibility of exercising a legitimate right at law or of obtaining juridical counsel.

24. To this effect:

(a) In criminal matters provision will be made for the defence of accused in first instance from the time of arrest until final judgment and, in appeal, in the case of denial of justice, upon the approval of the Bar.

(b) In the case of statutory offences provision will be made for the defence of accused when this defence is a serious one, according to the directives of the Bar.

(c) In civil matters assistance will be granted in the following cases:

(i) in demand or in defence if their exists a good right of action or a serious defence;

(ii) outside of litigation, preventive or conservatory juridical measures;

(iii) acts and procedures of execution.

25. In the interest of the public and to assure a free and efficient system of legal aid, it is fitting that the responsibility be confined to the Bar of Quebec with power of delegation to its sections.

26. The regulations concerning legal assistance are enacted by the Bar.

27. Each regulation must respect the individual relationship between he who is assisted and the attorney, particularly as regards the latter's independence, code of professional ethics, professional secrecy and discipline.

28. All regulations must be published in the Official Gazette and take effect from the date of publication.

29. Any person admitted to legal aid benefits by the following advantages:

- (a) free assistance of the auxiliaries of justice;
- (b) the designation as a matter of course of auxiliaries of justice; permanent attorney of the local bureau or appointment by the local Bar;
- (c) exemption from the payment of fees and costs;
- (d) provisional exemption from payment of sums due to the treasury for legal stamps, registration and filing;
- (e) advances of certain costs by the treasury such as costs of transportation; fees of experts, taxable costs of witnesses, newspaper publication fees;
- (f) free delivery by the notary or clerk of acts and deeds;
- (g) the costs of stenography;
- (h) all other costs which may be determined from time to time by the regulations.

30. The Bar is of opinion that:

- (a) Both in matters of consultation and criminal matters the services should, as far as possible, be rendered by attorneys in the employ of the Legal Aid Bureau;
- (b) For the moment, in other matters, the services, as far as possible, should be freely dispensed by the other members of the Bar.

As regards these latter services, the Bar believes that the question of remuneration according to the standards to be established, should be studied further.

31. The costs incurred for the establishment and maintenance of legal aid are paid from the consolidated revenues of the Province.

32. The Bar submits each year its budget to the Minister of justice.

33. At the end of each financial period, the Bar has its books and records relative to legal assistance verified by chartered accountants and sends copy of the report to the Minister of justice who may at all times do a verification by his duly authorized representatives.

34. It is encouraging to note that since the formulation of its recommendations, the Bar of the district of Montreal and the Bar of the district of Quebec have considerably improved the structures of legal aid and the quality of the services rendered to less fortunate citizens.

35. Moreover many local sections of the Bar of the Province although their attorneys have at all times furnished their services freely to indigents, have already or are in the process of putting into effect the machinery for local legal aid.

II—Modifications to the Criminal Code

A—Rules as to bail

36. The present situation which prevails before our criminal tribunals is patently inequitable as regards less fortunate citizens. In effect, the rule of equality of citizens before the law is deeply divergent with the actual system in two aspects.

37. To begin with, police authorities all too frequently have the habit of proceeding by way of warrant instead of by way of summons. It must be added that important improvements have been made by the Court of Sessions of the Peace, but much progress remains to be made.

38. The Bar recommends that in penal matters, the procedure should be by way of summons rather than by way of warrant in all cases where there is reasonable assurance that the accused will present himself for arraignment. In any event if the accused does not present himself there is always time to issue a warrant for arrest.

39. Those persons who must be detained by police agents whether in virtue of a warrant for arrest or without one, should be admitted to bail, if available under the circumstances, immediately after their arrest.

40. In order that this might be accomplished, the Bar recommends the establishment of a system whereby a Justice of the Peace would be on duty at all hours of the

day and night to immediately return to freedom all accused admissible to bail.

41. Bail normally consists of monetary undertakings such as a deposit of money, a personal recognizance or a mortgage on an immoveable. As a concrete result, a poor man is incarcerated while waiting his trial and a rich man is free until his case is heard by the courts. Occasionally if the crime is important or the accused famous, the courts have even the tendency to award very high bail.

42. The Bar recommends in a general fashion the elimination of almost all obligations of a monetary nature in matters of bail and their replacement by the personal undertaking of the accused to present himself at his trial. The possibility of retaining certain monetary obligations should be examined especially as regards foreign citizens where this method appears the most appropriate to assure the appearance of the accused at his trial.

43. The judge should firstly decide whether the accused is admissible to bail in evaluating the possibility or probability of his voluntary appearance at trial. In the case of foreign citizens or in other appropriate cases he might then determine the nature of the bail.

44. This evaluation should be founded on the status of the accused in his own milieu. Each connecting factor could be examined such as domicile, family situation, employment and generally the environment in which the accused has evolved. We refer you more particularly to paragraphs 94 to 107 of the report of the Bar of the Province of Quebec to the Commission of enquiry on the administration of justice in criminal and penal matters which is annexed to the present brief.

B—Compensation of Victims

45. In the course of justice, there is often the tendency to forget the victim of a penal or criminal delict. Often a citizen is plunged into poverty by reason of injury suffered at the hand of a criminal or as a result of deprivation he has been the victim of.

46. The criminal code contains a provision in article 628 which permits the judge to indemnify the victim by condemning a tortfeasor to pay a certain sum of money. This provision which in any event is rarely applied is largely incomplete. In effect the judge had discretion to award indemnity and the dam-

ages are limited to poverty. On the same token, the majority of criminal tortfeasors are notoriously insolvent and incapable of paying any substantial indemnity.

47. The Bar recommends that the State assume the responsibility of indemnifying victims or their dependents for injuries suffered in the course of the perpetration of a delict and confide the administration of this system to an autonomous board either already existent or to a new organization.

III—The Repression of the Exploitation of the Economically Weak

48. Canadian criminal law contains an entire series of severe measures designed to protect life, liberty, human dignity and property. Numerous provisions exist concerning fraud but these provisions are too imprecise as regards modern business techniques.

49. In effect unscrupulous traders have adopted certain business methods with a view to exploiting the economically weak. Often these methods do not constitute frauds in the sense of the criminal code but although not illegal they are clearly inequitable. At times even though these methods constitute frauds, proof of same is extremely difficult to make.

50. It is not our intention to enumerate all these methods since they are too varied but by way of example might be mentioned the canvassing at homes, under pressure, of sales of different objects or courses of all forms, the sale of land improperly described by unequitable promises of sale, the negotiation of promissory notes under the cover of the protection afforded a holder in due course in virtue of the Bills of Exchange Act.

51. To the greatest extent the victims of these dishonest business men are the economically weak, unalert and susceptible to the techniques of pressure sales.

52. It is difficult to create a crime entitled "exploitation of the economically weak" as the imprecision of such an idea would render the law inapplicable. Nonetheless, various measures have been envisaged by the different provinces.

53. Certain provinces have legislation which permits the purchaser of a sale at domicile to

unilaterally annul the sale within the twenty-four hours which follow the sale, a period which is commonly called "the cooling off period". The Bar endorses this form of legislation and adds that the delay should be seventy-two hours as opposed to twenty-four hours.

54. Insofar as courses of all descriptions, legislation exists already which permits a future student to annul his contract in paying a proportion of the price corresponding to the number of courses actually followed. This recourse however, is limited to certain courses mentioned in the law relating to private professional schools. This legislation should be extended to all forms of courses or apprenticeships.

55. In the matters of instalment sales and loans, it is extremely important that the true rates of interest be divulged to the consumer. It would be necessary to supply to legislation to this effect, penal sanctions against he who defaults thereunder as well as civil sanctions such as the reduction of the rate of interest to the legal rate of interest.

56. It is easy to imagine a number of important and complex measures, but, without doubt, the best results are obtained in informing citizens as fully as possible on their rights. We shall return to this question in the next section.

IV—Legal Clinics in less fortunate urban centres

57. The Junior Bar of Montreal, with the collaboration of law students, is preparing the establishment in St. Henri Ward in Montreal of a consultative legal clinic.

58. The formula presents numerous advantages. The fact that the clinic is physically situated in the very heart of a less fortunate ward results necessarily in its being more accessible to citizens of the ward, both physically and psychologically. In this fashion the machinery of justice loses its character of distant and somewhat terrifying solemnity in the eyes of less fortunate citizens. Justice and her hand maidens, the lawyers, become more human.

59. Moreover this type of counselling centre permits the introduction of preventative law. In effect, it is hoped that less fortunate citizens will acquire the habit of consulting a lawyer before the signature of a contract, for example, rather than after. Often, in the minds of citizens, recourse is had to a lawyer only when the situation has completely deteriorated and as a result when this latter's possibility of action is often limited.

60. The Bar favours the establishment of these types of legal information centres, on the condition, however, that the legal counselling be given by lawyers duly qualified to practise the profession. The Bar would wish to retain the participation of law students but on the condition that they work under the direction of duly admitted attorneys.

61. In fact these types of offices should be integrated into the systems of legal aid to permit a perfect coordination of the work of both offices. In effect, legal counsellors of these law clinics could refer cases, where proceedings should be instituted, to the legal aid office of that district.

62. The Bar equally favours the creation of a group of specialized lawyers in "social law" who could render invaluable services within these legal clinics.

63. In effect, the complexity of welfare laws, the multiplicity of provincial, federal and municipal jurisdictions renders it absolutely impossible for the citizen to know what he is entitled to under the various welfare laws. Moreover it is necessary to protect citizens from the errors or the abuses of State functionaries in their determination of the welfare to be afforded to a less fortunate citizen.

64. The different administrations, both public and private, should collaborate with the personnel of these legal clinics in furnishing to them the most complete information on available programmes.

65. Finally the possibilities of rendering these clinics multi-professional should not be lost sight of. Side by side with lawyers could be found psychologists, professional job placement personnel, marriage counsellors and even rehabilitation specialists.

CONCLUSION

Gentlemen of the Special Committee of the Senate sitting on poverty, the Bar of the Province of Quebec submits to you these few thoughts and recommendations with a view to the elimination of the causes of poverty over which the members of the profession may exercise a decisive influence.

We hope that our support will permit you to circumscribe this evil which gnaws our post-industrial society and to propose the appropriate corrective measures.

THE BAR OF
THE PROVINCE OF QUEBEC



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 40

WEDNESDAY, MAY 13, 1970

WITNESSES:

The Department of Welfare and Labour of the Province of Prince Edward
Island: Mr. William W. Reid, D.S.O., E.D., B.A., Deputy Minister

APPENDIX:

"A"—Brief submitted by the Department of Welfare and Labour of the
Province of Prince Edward Island.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 28, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Wednesday, May 13, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day 9.30 a.m.

Present: The Honourable Senators: Croll (*Chairman*); Carter, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, Lefrançois, MacDonald (*Queens*) and Pearson. (8)

In attendance: Mr. Frederick J. Joyce, Director.

The following witness was heard:

THE DEPARTMENT OF WELFARE AND LABOUR OF THE PROVINCE OF PRINCE EDWARD ISLAND:

Mr. William W. Reid, D.S.O., E.D., B.A., Deputy Minister of Welfare and Labour and coordinator of Rehabilitation.

(Biographical notes concerning the above witness immediately follow these Minutes).

The brief prepared and submitted by the Department of Welfare and Labour of the Province of Prince Edward Island was ordered to be printed as Appendix "A" to these proceedings.

At 11.30 a.m. the Committee adjourned until Thursday, May 14, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee

BIOGRAPHICAL NOTES

William W. Reid, D.S.O., E.D., B.A., Deputy Minister of Welfare and Coordinator of Rehabilitation, Province of Prince Edward Island.

Born – Charlottetown, Prince Edward Island – 1913

Educated – West Kent School, Prince of Wales College, Mount Allison University (B.A. Honours in French)

Prior to World War II worked as a labourer on construction for Imperial Oil Ltd., then three and one-half years in wholesale grocery business with Eastern Hay and Feed Company, then taught in Grade X West Kent School until outbreak of War. Thirty-two years' service with various infantry units Canadian Army. Retired in February 1955 with rank of Brigadier General. Has since served Provincial Government, Province of Prince Edward Island as Director of Physical Fitness – 15 years; Director of Provincial travel Bureau – 5 years; Chairman Workmen's Compensation Board – 7 years; Deputy Minister of Welfare and Labour and Coordinator of Rehabilitation for the past 14 years. Married – 4 children. Has coordinated all Royal Visits to the Province since 1951 and also done the same task in connection with Special Visits in 1967. Presently serving as President P.E.I. Council Boy Scouts of Canada, Secretary P.E.I. Rehabilitation Council, Secretary P.E.I. Chapter Polimyelitis, Director of P.E.I. Protestant Children's Home, Director of P.E.I. United Fund, Director Heart Foundation, and is interested in all types of youth work and any worthwhile project of benefit to the Province.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Wenesday, May 13, 1970

The Special Senate Committee on Poverty met this day at 9.40 a.m.

Senator David A. Croll (*Chairman*) in the chair.

The Chairman: I will call the meeting to order.

We have a brief from the Province of Prince Edward Island. Our witness is the Deputy Minister, Mr. William W. Reid D.S.O., E.D., B.A., who is the Deputy Minister of Welfare and Co-ordinator of Rehabilitation of the Province of Prince Edward Island; a very distinguished soldier, very distinguished public servant, and a man who has worked his way up from the bottom to his present very high position. His curriculum vitae will appear in the record. He will begin by making an opening statement.

Mr. William W. Reid, Deputy Minister of Welfare and Co-ordinator of Rehabilitation, Province of Prince Edward Island: Honourable Mr. Chairman, honourable ladies and gentlemen. In my few opening remarks to-day I simply wish to say how honoured I am to have the opportunity to represent my Minister in presenting this brief on behalf of our little province. I have been asked to express his regrets that he is unable to be with you because of recent pressures of business.

The brief which I have the honour to present for your consideration to-day can be divided into two sections: the first one dealing with poverty, its extent and suggestions which we feel might be helpful in giving some immediate relief to the problem; and the second section referring mainly to the Atlantic provinces in particular and suggesting comprehensive development plans as a possible help in eradicating poverty, and also recommending that increased cost-sharing formulae be considered by the Federal Government under Canada Assistance arrangements.

Following up this brief, we would at this time like to reiterate that there is likely nothing new nor original in this presentation. However, we feel that our

concurrence in several points put forward to you in other briefs and through other sources of information, might be helpful. We also felt it might be of assistance to you and your Committee to let you know that the Government of Prince Edward Island has already moved to improve conditions regarding goals, treatment of alcoholics, etc.; and, as you are probably well aware, they have entered into an island-wide comprehensive development plan with the Federal Government in order generally to improve conditions, to create more employment, etc. As the days and months go by, it is hoped that more and more of the goals set under this plan will be attained and that improved conditions will add much toward increasing our overall standard of living in the province and help us in the stamping out of poverty.

In this presentation we have purposely refrained from referring you to a great number of appendices, as we felt that you would already have most of this information available in the form of other briefs, etc. However, should you require any specific information, I will certainly be only too happy to endeavour to answer any pertinent questions; and should I be unable to supply the answer immediately, it will certainly be a pleasure to forward the information to you in writing as soon as I can secure same for you.

In conclusion of these brief remarks, I would like to mention that our major worries in the Province of Prince Edward Island are: first of all, a large number of unemployables plus a goodly number of seasonal unemployed; secondly, our low personal income. As mentioned in our brief, if we could, here in the Province of Prince Edward Island, realize greater cost-sharing arrangements under the Canada Assistance Plan, this would be a great benefit to us and, of course, being of benefit to us would eventually be a benefit to the Atlantic region and to Canada as a whole. Should we realize this greater cost-sharing, I can assure you that this province would increase its assistance rates over and above those presently being granted. We would provide training for staff badly needed to cope with counselling and other help

necessary for our citizens; we would provide better foster homes and higher rates of remuneration to those operating same; and we would do everything possible to create more work opportunities for our unemployed and under-employed population.

Again I thank you for this opportunity to appear before you, and assure you of any co-operation that we in Prince Edward Island can give in helping to solve this vexing problem of poverty within our country. Respectfully submitted, sir.

The Chairman: Senator Inman, would you start?

Senator Inman: Mr. Chairman, I am quite proud of Prince Edward Island as regards this brief. I have several questions. To start with, on page 13, paragraph 2, you point to the need for experimentation in poverty programs and the delivery of services. What do you see as your role in initiating or sponsoring such plans? How willing is your government to risk failures in such experimentation? The reason I am asking this particularly is that I know Prince Edward Island has been used before as a pilot project.

Mr. Reid: Senator Inman, in response to your question, I think from what our premier and our minister have informed me, they would be willing to have us co-operate in any possible way with any experiment, particularly in connection with guaranteed income and this sort of thing.

As you know, we have in Prince Edward Island approximately 110,000 people. We are more or less, as I have said in my brief or in my notes, a captive audience. We know from the past, from surveys and other sorts of things, that our people are most co-operative; and we would be willing, in our little department, to foster, support and help in any possible way any experiment; we have been assured that we can go ahead.

We have been submitted to a lot, but I think you will find we have come out fairly well.

One of the things that I think you good people would realize to be important is our alcohol problem, and the fact that the government of the province fostered during the past three years an experiment in alcohol studies, and helped to support the financial cost of this, and there is quite a bit of cost to it.

Now they are going even further, co-operating with the Alcohol Treatment Foundation, and have set up a complete treatment and rehabilitation system for alcoholics, which is now in effect. This is going to

relieve our gaols of a lot of the population, in fact of almost 70 per cent of the present gaol population. It is helping a lot already to relieve what I might describe, since I am among friends, as the mess that you good people know existed in our gaols. It has helped already. I understand that through our premier's efforts, eventually the gaols that now exist will go out of existence and we will have one central respectable type of building which will house the remaining 25 to 30 per cent of our criminal population, so that we shall have decent facilities at last. This step has already been taken, and this has also come as a co-operative survey and other effort with the federal and provincial governments co-operating. Studies, surveys and works have been gone through, and now we have this functioning. Our province, I know, is backing it under our development plan, and I am sure that these other things, senator, that you are intimating will also be brought up.

Senator Inman: In your opinion, do you think alcoholism contributes quite a lot to poverty, especially in our towns?

Mr. Reid: Definitely. We feel it is very important, and that the women and children have suffered a lot because of it. They have gone without many of the better things of life because of their husbands—and in some cases it is not the husband but the spouse who is the offender, not always the husband.

Senator Inman: On page 20 in the last paragraph you suggest that workers presently outside of unions should be unionized. Do you really think that unions are the answer to labour problems in P.E.I.? You will remember as well as I do the union upsets and that sort of thing. Do you think that as far as the province is concerned unions would be the only answer?

Mr. Reid: There may be some other answer, senator, but for the time being, just from my own slight association with the Department of Labour where I had an opportunity to rub shoulders both with the unions and with management, I will say that for the time being they present to me the best hope that the down-trodden people have of getting their incomes upgraded. There may be some other way, but at the present time I think, in answer to your question, that I have to say that I feel in unity—not necessarily union—there is strength.

The teachers, for instance, if they had gone along, as they did in my day, with no organization whatsoever, they would probably still be getting \$85 a month. You

good people will smile at this, but when I came out of university back in 1935, as I was telling the chairman, things were pretty grim. These were depression days. I taught in grade 10 in one of our public schools for \$85 a month. With an Honours degree, I was paid \$85 a month and for ten months of the year. A person holding that same job today is drawing \$12,000 a year.

The Chairman: That was in 1935.

Mr. Reid: That is right, sir, but in those days there was no unity; there was no one voice speaking on behalf of the group, that is, teachers' group.

I am getting back to the under-employed, the unemployables, the people who need help; the ones we have to subsidize to-day in welfare, whose incomes are so small. We have people down there still getting a dollar an hour, and you cannot keep a family to-day on a dollar an hour and a five-day week. This is where I feel that the unions, with their negotiating power, bargaining collectively, can do something and are doing a considerable amount. I feel that it is the chap who is working for the man who employs perhaps two or three and there is no union in there, but those people do need help and I feel that the unions can give counselling services, suggest how these people can talk to employers, as they can if they have reasonable organizers. I feel that for the time being it is about the best tool we have available.

Senator Inman: On page 3 at the top you say that poverty is a complex thing and so on; that it is not a condition at birth: we are all born equal.

Mr. Reid: Senator, I am glad you found that. That statement is not quite complete. This is true. My friend Jean-Jacques Rousseau made this statement a great many years ago. He said that people are born equal everywhere, but everywhere at the same time they are enchained; in other words, they are subject to their environment or the conditions into which they are born.

You are not the first one. I did not amend this. I saw this earlier. This was done in consultation with a group of our people, and I did not put this in, but I did read Rousseau among my other things, and when I knew all that I smiled at this; but I am from Prince Edward Island and I honoured in French when I went to university, and this was there and it is quite definite, and I am glad you picked it up. This is quite true, that we are all born equal, but we have this little "but" in there that we are subject to our environment. We all

come into the world with two arms and two legs and if we are unfortunate some of us come in handicapped; but theoretically, when God creates us, we are equal; but that is as far as it goes and from then on we are subject to our environment and the conditions into which we are born.

Senator Inman: I have other questions, but I will pass for the moment.

The Chairman: Senator Pearson.

Senator Pearson: I notice in your background data here that out of a population of 110,000 you have roughly 9.7 or really 10 per cent unemployed. I would imagine the working poor would make up pretty near another 10,000. The problem there, as far as I can see it, is how are you going to raise money to bring these people up. You talk about the old age security and unemployment insurance, that they should all be raised, but how are you going to get the money for them?

Mr. Reid: As mentioned here, sir, we have made these suggestions of raising these certain categories of types of assistance, you recall—for want of a better name—and this is just a small thing and general throughout the country.

Senator Pearson: I think it is a rather large thing, not small.

Mr. Reid: It is a large thing when you put it all together, yes, but it runs into, say, two or three per cent, but it does mean a lot to the older folk. The people I am mostly concerned with are the ones you mentioned, the under-employed and the unemployed. These are the ones who worry us most.

What we would like to do and what we have already taken steps to do—you will note perhaps later near the end of our brief—we suggest that we want to create this more or less job-training type of thing for the people who have not had the opportunity. For instance, the untrained, unskilled fellow we would like to take off our relief roll, so to speak, and put him into training under our trained people; give them something semi-skilled such as painting or the handy-man type of thing.

This winter, although things developed that kept us from getting it started, we had taken from our welfare list a group of 60 people and were making up six teams of ten. We had it all arranged for training, to bring these people in for what I like to call training on

the job. We have these people in, some of them from outlying districts, and we have even set up a little dormitory where we can sleep them and keep them, because a hundred miles from home you cannot send them back and forth every day. Those who live nearby, we arrange to have transported. We would like to bring them in as an experiment. We have this work project, and we hope to teach these people to be, perhaps, the village painter or the village handyman, so as to give them something that they can do whereby they can demand a half decent little wage. At the present time they are living in out-of-the-way places. Some of them have families of five to ten, and if there is no Irish moss to pick or if the fishing or farming season is closed, they just sit there and draw unemployment—if they are fortunate enough to be qualified. If they do not qualify, we just have to send them a very modest relief cheque. We hope, through work projects, to train these people, and if they cannot all be placed in Prince Edward Island perhaps they will be in demand elsewhere.

Senator Pearson: How would that work with the working poor? You cannot shift them around when they have a job on which they are not earning very much but they cannot move from there to their training place.

Mr. Reid: In fairness, sir, we may have to subsidize these people some, but we would like to say that there are not any working poor. I feel we have to get our per hour wage up. For instance, instead of a dollar an hour—and 80 cents some of them are getting in the fish plants. Our government has already taken steps to increase their labour rate from the present \$1.25 to \$1.65, I am told. This is the best way I can think of for getting these people up.

Another thing that worries me more than anything is that we have overlooked the working poor in providing accommodation. All our Central Mortgage and Housing arrangements are very fine up to a certain point and for certain people, but we found last year in the City of Charlottetown, where, say, 20 new units were opened and supposed to be low rental housing, that the rental runs around \$100 to \$115 a month. The type of fellow you are talking about, senator, cannot pay that kind of rent. Somehow or other we have to get housing for the young people who are underpaid and who are starting out raising a family. I feel we owe something to them. I am trying my best to sell this. I think I have my minister sold, and I hope we can sell the rest of the government on this proposition. Some months of the year these people might be able to pay

\$50 a month rent. I think it is out-of-the-way to expect them when they are raising a family of four or five little ones and getting perhaps a dollar and a quarter or \$1.65 an hour, to pay a hundred and some dollars a month rent, because they just cannot afford it and have the decent things of life at the same time. So we feel there should be some plan.

Departmentally we have a plan to provide about, as I remember, 30 homes per year for five years, which would rent at about \$50 a month. Then you might ask: how are these fellows going to pay even that \$50 if they are unemployed and there is no fishing in the winter or farming? Then I think it is up to us to put them on what we call Canada assistance, and pay their rent for them until they catch up again in the spring. This is a fair deal; this is what we should do.

Senator Pearson: Would your fishing industry and potato growers be in a position to pay these extra wages that you are anticipating; that is, if instead of 80 cents an hour or a dollar you say \$1.65 an hour or even \$2, would the fishing industry be able to carry that load?

Mr. Reid: I think they would, sir, just humbly speaking, I am sure they would. I know of men who have made a net profit of \$7,000 in the short fishing season, having hired other men, and who in the middle of winter come to me looking for a relief cheque after having cleared \$7,000. If they can afford to spend it that way, I am sure they can afford to spend it on their help.

Senator Pearson: These men that are working on temporary jobs, these are the ones you are having problems with?

Mr. Reid: Seasonal unemployment.

Senator Pearson: Seasonal unemployment. They have nothing to do and they wander around and get into pubs, which is what is causing your trouble.

Mr. Reid: Partially, yes.

Senator Pearson: In other words, you need a moonlighting job; you are going to have two jobs for these men?

Mr. Reid: That is right, and this is why we are hoping that the overall plan that the premier and the government are working on will create more employment and keep them busy the year round rather than three or four months.

Senator Inman: If I can follow that up, these people you speak of on seasonal employment, some of whom I know, fish two months of the lobster season and they go on fishermen's unemployment, but they can make at least \$7,000 or \$8,000 in two months. Do you think something should be done about that? At the same time they are drawing unemployment insurance, but they are still fishing to a certain extent.

Mr. Reid: As you know, some of our fishermen, the ones in the past you are now mentioning they are more or less employers in the fishing business, but they also have farms.

Senator Inman: Yes.

Mr. Reid: They go out and fish, we will say, from the 1st of May until the 1st of July. In the meantime they will have had enough time out of their boats to plant their crops. Then they come back and they sit tight for the winter. They would like to have someone give them a job perhaps in the off-season again; but those people, you might say, are self-employed and they cannot as a rule draw benefits, while the ones they hire can.

I feel this is something that is a little too deep for me. I feel our unemployment insurance people would have to go into that. I believe that unemployment insurance in some cases is being abused. It is certainly a wonderful thing for the person who is a bona fide unemployed person, but not for people like this who are using it. I do not think it was ever created for a seasonal unemployment fill-in like this at all, but this is just my view.

Senator Pearson: What is your main tax base in Prince Edward Island? Is it land, property, or income tax or what?

Mr. Reid: As you know, we have our income tax, but the people who pay income tax in Prince Edward Island would not amount to very much. It is merely a contribution. Our main effort is our land tax, and this land tax or school tax, as we call it, of course goes to finance our educational system. This is where the bulk of it goes, for school buses and drivers, teachers, and so on.

The Chairman: Senator Carter.

Senator Carter: I apologize for coming in late. I was at another committee. I hope I am not asking questions that have already been answered, but I would like to know something about how your

welfare assistance operates in Prince Edward Island. Do you have different rates for long-term assistance as compared with short-term assistance?

Mr. Reid: No, sir, we do not. I am like my colleague in Newfoundland—I know him quite well and we are great friends—who has always had this problem. We just treat every case on the usual budget system, and whether it is for one month or 21 months does not matter. We give it on the basis of need in the home for whatever time it may be.

Senator Carter: Do you have different rates for urban families as compared with rural?

Mr. Reid: No, sir, not in that sense, except that we do make allowance for a higher rate of rental in the city. This is all. Other than that, we do not.

Senator Carter: Just adjust it on rents?

Mr. Reid: That is all.

Senator Carter: Are the rates that you pay based on family size?

Mr. Reid: Yes, sir; the bigger the family, the more money would have to be put into that home, and based strictly on what we call the budget deficit system.

Senator Carter: Do you have a cut-off rate?

Mr. Reid: No, sir.

Senator Carter: Regardless of size?

Mr. Reid: No, sir.

Senator Carter: There is no cut-off rate?

Mr. Reid: No. I could go to a neighbouring province—and I will not mention any but I will say it is not Senator Fergusson's province; but, seriously speaking, I can go to a neighbouring province where there is a ceiling. The ceiling was raised during the past year, but my friends there still tell me it is not enough. In other words, a family of 25 (this is a little exaggeration) gets only a certain amount of money. There are families almost that big living within a household. I can think of one family in our province of a man, his wife and 12 children—they are 14. These people are given assistance on the basis of need of the 14 people, not on the basis of three people. In a

certain neighbouring province you would get \$175, whether there were three in the household or 14, and this we do not think is fair.

Senator Carter: What would a family of four get in Prince Edward Island?

Mr. Reid: It would depend, sir, on the specific family and their need. I could not tell you exactly because, as I say, it is based on their budget, what they need and what they have. In other words, if there was income coming in it would have to be subtracted from the overall. This is why I am hedging on this. A family of four, we will say, could have \$425, but maybe they have an income of \$220, so we could only give them \$205.

Senator Carter: So then you do actually assess need?

Mr. Reid: Right.

Senator Carter: That is interesting. This is the first time I have found the Canada Assistance Plan really being put into effect in the way it was intended to operate. How do you assess need in Prince Edward Island; How do you go about assessing need?

Mr. Reid: The Canada Assistance came into being in 1966, as you know. Therefore we had to take figures of cost of living and so on that were set up in 1965. So we have a little system whereby we say that the first adult in the family should have \$30 a month for food. This is not very much, but it is a dollar a day; the second adult in the family, husband and wife, they get \$30 each for food which is on their allowance. Then there is \$25, we will say, for the first adult; \$20 perhaps for the second, and so it goes. There is quite a little schedule. I can mail this to you if you like to have it for your interest. If you would like a copy, I can put one in the mail.

Senator Carter: I think the committee would be interested.

Mr. Reid: I would be only too glad. These are regulations in connection with our General Welfare Assistance Act. You work out the whole thing, food, clothing, housing—cost of rent or, if the man owns his place, we can give him allowance for maintenance, we can allow for his taxes for the year, we can allow his utilities, his light, his heat. All these things are permissible.

Senator Carter: Whether he is rural or urban.

Mr. Reid: That is right, whatever the cost may be. In addition to that, he may have special needs. He may have a sick wife, in which case we can make allowance for any prescription drugs. They can be included in his budget. Or if it is a special case of surgery or something like that, or a hearing aid is needed, any of those things can be included.

Mark you, in Prince Edward Island we are having it pretty rough, and we do not go out and advertise this in the papers that we are doing it, but we will do it for anybody who is in need. If you were on the assistance rolls, and it was shown that your child needed a hearing aid, a hearing aid would be put right on that kiddie; or if the child needed treatment by a specialist in New York, he would be sent to New York with all expenses paid for the child and escort. All this sort of thing is done and we are doing this.

Senator Carter: With that sort of needs test in operation, your budgetary expenses must be on a higher level proportionately than in, say, other Maritime provinces?

Mr. Reid: On a per capita basis our grants, our givings, are better, yes.

Senator Carter: Have you made any comparisons?

Mr. Reid: This is another thing that I should have prepared for you, I am sorry. In a brief we submitted to the minister, we have all this laid out. I see your chairman has a copy. This is available, and I shall be glad to see that copies come to the committee individually if you do not already have it.

The Chairman: Have you copies for all the committee?

Mr. Reid: No reason why you could not. I have not them with me, but we can get them and I shall be glad to see that they are mailed to you. This is a brief, by the way, that we submitted by your representative.

Senator Carter: I am familiar with it, yes.

Mr. Reid: We had a very nice hearing. Of course, after a year's study and work, we had everything in this that we felt the minister and the government here would want. All the comparative figures are in here as to how much Newfoundland, Prince Edward Island, New Brunswick and the other provinces give; they are all laid out in here.

The Chairman: It is 13 per cent in Prince Edward Island, which is higher than normal.

Senator Carter: It must be.

The Chairman: Nova Scotia was a little less than ten.

Mr. Reid: These, of course, may have varied a bit since this was made up. I think it is close enough.

Senator Carter: You mentioned the Canada Assistance Plan as an umbrella for other payments, and you seem to indicate in your brief that you would like the old age security, guaranteed income, guaranteed annual income and those things to be adjusted more adequately in terms of the rise in the cost of living than they are now, instead of the actual two per cent. You also intimate that the Canada Assistance Plan might be used to a greater extent as an umbrella for other services. You did not say anything very much about guaranteed annual income.

Mr. Reid: I mentioned in here, sir, that we would be willing in Prince Edward Island to be more or less a guinea pig as an experiment, did you notice that?

Senator Carter: Yes.

Mr. Reid: I mentioned that before you came in this morning, I believe.

Senator Carter: On the basis of the Canada Economic Council.

Mr. Reid: We have had, sir, just briefly—some of the senators will remember—a little experience in Prince Edward Island in guaranteeing income, particularly for older people. Whether our experience would be of any help or not we do not know, but it might be useful in that we just have this small group down there we could work with and try out anything; a general income experiment, if they wish, on all people of working age, whatever they wanted. It could be done on income tax returns, whatever way they would like to try.

At the present time, as you know, we are supplementing the present old age security.

For instance, down in Prince Edward Island if a person is not entitled to the full income supplement, we can, if he or she is getting less than \$100 a month, bring that up to \$100.

We feel that everybody 68 years of age and over should have an income of at least \$100 a month. This is what our government has said, and the previous government before said this. So we carry that out. So that if a recipient were receiving old age security only at the basic \$79.58, we now give \$20.42 to bring it up to \$100, whether he needs it or not—that is not the criteria.

Senator Carter: This is as a matter of right?

Mr. Reid: That is right, we have guaranteed this.

Mr. Carter: Under the Canada Assistance Plan.

Mr. Reid: This is why I say we have had a little bit of experience. I think there are one or two of your other briefs that have suggested such a proposition, and we go along with this. We would even be willing to take part in an experiment to see if we could make it work.

The Chairman: British Columbia and Ontario do the same thing.

Mr. Reid: Yes, they do in another way, a little different way.

Senator Carter: You are the guinea pig in one of these plans. I thought you would be tired of being a guinea pig.

Mr. Reid: Well, it is one of those things. I think it is important enough to ask that if it would help, it would help our people too. I think it would be an awful lot easier to compile figures with a 100,000 population than to go into a province where you have two million.

Senator Carter: Well, you are supplementing then old age security from the Canada Assistance Plan?

Mr. Reid: No, sir. We are supplementing it from Prince Edward Island Funds. This is not shareable, because the needs test will not permit it being shared. Under Canada Assistance you have to measure up to needs test or you cannot share.

The Chairman: You see what he is saying?

Senator Carter: Yes.

The Chairman: You follow what he said?

Senator Carter: I did not get that.

Mr. Reid: Our province is doing this on its own; this is not shareable unfortunately. If it were shareable, we would not have to pay it because Canada would be paying it.

Senator Carter: Yes, half of it.

Mr. Reid: No, they would be paying it in the form of G.I.S.

Senator Carter: I know what you are saying. You mention in your brief, if I remember, that something might be done under the Canada Assistance Plan to supplement or subsidize the working poor. Some provinces are doing something like that under the Canada Assistance Plan as it is. Are you doing anything like that in Prince Edward Island?

Mr. Reid: Not at the present time. By that I would assume, sir, you are suggesting we raise their income?

Mr. Reid: No, at the present time, other than to subsidize them, we are doing this in Prince Edward Island. The reason I put this in that this is a Canada-wide thing and I was thinking of others. Supposing you were working, drawing \$200 a month and you had a family of five and could just not make ends meet. We can give you another \$75 or \$100, and we are doing this in a few cases.

Senator Carter: Under Canada Assistance?

Mr. Reid: Right, but it is not shareable.

Senator Carter: That is the same thing.

Mr. Reid: Yes, we are all right on this. I am sorry, I misunderstood you at first. We are definitely doing this up to a limited degree, but still feel that the answer is not there, that we should be paying working people a respectable sum.

Senator Carter: You mean the economy should be paying.

Mr. Reid: Yes, the economy should be subsidizing them rather than, you might say, public funds.

Senator Carter: Just one last question, Mr. Chairman. What is your attitude towards family allowances as compared with guaranteed annual income, which would take into account the size of the family?

Mr. Reid: Well, the present family allowance, sir, does not to me fill the bill. Of course, it is going in a

lot of cases to families which do not need it, but this is all right and does not matter; but to the family which really needs it to-day, \$8, \$6, or even the \$10 youth allowance is not very much. As I think I mentioned in the brief, it has not kept pace with the cost of living going up and up, whereas that has stayed the same as it was back years ago. We feel that the guaranteed income would be much better and more stable.

Senator Carter: If the federal government had extra money available, you would prefer it to be used as a guarantee?

Mr. Reid: As an individual I would definitely prefer.

Senator Carter: Rather than just stepping up family allowances. Thank you.

The Chairman: Senator Fergusson.

Senator Fergusson: I would like to say first that I was quite impressed with the humane approach of your welfare department in Prince Edward Island to the problem of people in need. I think it is really quite wonderful that where there are people who actually need things you see they get them. We have not found this anywhere. Sometimes it is much more rigid.

On page 22 of your brief at the top you support the recommendations that were advanced by the C.M.H.C. in their presentation, and one especially you mention is the dispersion of public housing units in smaller groupings. It seems to me that in most places I have known the people who are in nice locations are very unwilling to have public housing built amongst their houses. How do you suggest that we can carry out this dispersion in view of that attitude of many people?

Mr. Reid: Well, it may be, senator, that we would have to bear the brunt in the communities of a little bit of adverse comment, and perhaps provide the space scattered about us.

In our own city of Charlottetown I can think of nothing worse than taking, say, a city block and creating just one area of low rental housing. I think this earmarks it as where the poor fellows live, and so on, and the houses will all be rundown.

My feeling on their being dispersed, if we can get the city fathers to do it—as they have started in Charlottetown and are trying all the time to get to the spots and have been able to get a couple already; I find that when these people go in there, amazingly enough they try to keep up with the Joneses, which is a good thing.

For instance, I think Senator Inman will recall that when our housing project was put up over North River—which I think is as snobbish an area as we get in the Island (we do not have too many, thank goodness)—the people said, “This will become more or less a ghetto within no time.” Do you know, this housing project in which these people took part themselves and the places were built for about \$10,000 each with their own labour in co-operative housing, of course, those people to-day have some of the nicest little homes and have kept them up, so that the whole little area of a block or two is a credit. It is amazing, and I think it can be done. I feel this is the way. Let us put the people there and let them feel they are part of the neighbourhood. If we keep it south of the railroad track or over the railroad track, they are always going to have that attitude; but if we can fit them in and make them feel part of the community, where they have a voice and can take part in the activities and their children go to the same school and the mothers and fathers are in the same home and school association, I think this is good. It is a hard up-hill fight, but we may have to do this.

Senator Fergusson: I agree with this, but that really does not answer my question. How do you make people who are already living there willing to accept the public housing?

Mr. Reid: I don't know. I think all you can do is to try what they have done in Charlottetown. They would not believe this five years ago, but I bet you that the people who live out there would believe it, and they would be the best ads we could get.

Senator Fergusson: That is probably how you would have to go about it.

Mr. Reid: I think you just have to jump into it; that is, the heads of government, whether municipal or what, have just got to go ahead and say, “We are going to try it”.

What we are doing, just as a little aside—it is not exceptional and I am sure it is done elsewhere—we have all through the province, (I don't know why,) a lot of widows who have all been left a little home. They own a little plot of land here and there, and they are having quite a lot of trouble. What we are doing, under the Canada Assistance Plan we have raised their little allotment. If they are getting \$150, perhaps we raise it to \$200, and we have gone to the bank with them, and said: “You lend this lady \$50 a month for a year or two. She wants to fix her home”. We get the home fixed up as best we can, and \$50 each month

goes to the bank on her account from Canada Assistance. She is paying it, or she thinks she is paying it, and she is part of the deal. She signs the note, and we just guarantee that the money is going to be there. We feel this is worth while.

Senator Fergusson: Speaking of widows brings us to the fact that there are a large number of single women who are heads of families. They may be widows or separated or divorced. Is there a very large proportion of those on welfare in Prince Edward Island, women who are single heads of families?

Mr. Reid: I would say about 20 per cent. It really takes in our old mother's allowance.

Senator Fergusson: Do you still carry on mother's allowance?

Mr. Reid: No, everything now is under Canada Assistance.

Senator Fergusson: That is what I thought.

Mr. Reid: We have brought everything in and done away with those old categories. We have everything now based on the financial need. At one time a man had to be totally and permanently disabled in order to get \$75 a month, and it was pretty difficult. Now he can be totally disabled, or he may be permanently but not totally, and we can give him help. Before you could not do this. He had to have a strict medical certificate that he was totally and permanently disabled, and all he could get then was \$75 in any province of this country. Now we can get him \$150 if he needs it, even if it is just for a month, as Senator Carter asked earlier. We do not limit him to a month or a year; we can give it any time, we can give it in just the same amount. He may need more for one month than he would need if he were on for 20 years. He might have more expense by sudden sickness than he would have over a long period. These are things you can do.

Getting back to your question, I would like to put in here that our real problem in housing with the placing of the units, this is a problem, but the real problem I find is to get something for the person who has not got the money. They are the ones that really cause us worry.

Last year we had, I think, in the city of Charlottetown about 90 people whose names were submitted by the Welfare Bureau. There are two welfare bureaus operating there. There were people who had no homes,

who were being put up in second-rate accommodation. The heads of the bureaux said: "These people need housing". Do you know that when the 21 new units were created, not one of those people got in, not one. This is the thing that worries us; this is why we are trying to help these widows and everybody else.

Senator Pearson: How would the children of these people be received in these areas; do the kids mix freely with the others?

Mr. Reid: In Prince Edward Island, sir, people can mix better than anywhere I know. I was amazed and I did not realize he was there, but we have one little Negro boy in Charlottetown; I did not know this until one day I was in the barber's shop and he came in with two other boys, and they were the greatest chums. We do not seem to have any fixed judgment against people because of race or other denomination, or whether the boy is rich or poor. This does not enter into it. He is accepted for himself. This takes us back to the "everybody is born equal" idea, but we find that in Prince Edward Island things are pretty good that way. I have among my friends people who are rich and poor as far as that goes.

Senator Fergusson: How many Indians do you have still?

Mr. Reid: We have 230 Indians, and they are all pretty well in a little reserve called Lennox Island. Up in Malpeque Bay, and the population has dwindled. They are mostly oldsters and very young. Most of the active ones have migrated out to other provinces and up to the State of Maine, but we still have 230. The problem at this time—I should not say it is a problem, but we are encouraging them to go anywhere. We give them our services, we put them in our homes for the aged. We look after their child welfare problems, we take them on just like anybody else—except if they are living on the reservation. We say to them: "Now, you are wards of the Government of Canada. We do not want to touch your problems. You go and see your Indian agents". This is for Canada Assistance type of thing. If they are living off the reserve, we treat them like any other citizen.

Senator Fergusson: What about education? They can go to the same schools?

Mr. Reid: They can go the same schools. They have their own school on Lennox Island, but we are encouraging them to come off the island and mingle with the other people. We have one or two families

scattered around. There is one enterprising chap whom we call Chief Redcliff of Rocky Point—you would know him, senator—who is in partnership with one of our own local men, doing a bang-up job on a little Indian village type of thing.

Senator Inman: But they can go to the same school?

Mr. Reid: Yes, they always have. We have had them over at the Rocky Point School the other side of Charlottetown. There is no racial prejudice.

Senator Fergusson: I do want to pursue the matter of the Central Mortgage and Housing recommendations. There was another one I would like to ask you about. The third is the involvement of citizens in community design processes. We all talk about this but we do not seem to make such effort to get them involved. In your province, has your welfare department had anything to do with citizen participation like this, have you supported it?

Mr. Reid: Our welfare department is at a little disadvantage at present. Welfare, for the time being in Prince Edward Island, is not in the housing field. We have what is called a housing authority in Prince Edward Island headed by the Minister of Education at present, and he is presently busily engaged building up a staff. He now has a good manager whom he got to come in there from the Royal Bank of Canada, a very good chap. I believe he now has a staff of about four people. I used to do this for them out of one of the drawers of my desk, and their senior citizens, and ran their senior citizen housing apartments all over the province, of which we had about 290. They are nice little places, and they are going to expand that a bit. In addition to that, we still operate the manors where we offer nursing services and care for the aged and infirm. These manors are very nice accommodation. We have expanded that, and we are going to expand that program again this year; but the senior citizens and the, you might say, the housing authority come under a different jurisdiction at present, so I cannot give you too much, except to say that they are expanding, and it has quite a place in the new development plan. I understand that the drawing board contains plans now for more apartments, and they are definitely going to be more of what you might call the hostel type of thing. At the present Montague, Summerside and Alberton have nice, up-to-date manors. These provide all nursing services and works for these older folks and people over 60. Now there is going to be a new one erected at Souris, and

they are going to expand the ones at Montague and Alberton by another 24 beds. So this will give us a lot of accommodation.

We have in welfare at the present time 750 beds, which we operate for handicapped people. The great majority are over 60 years of age. Some of them are between 16 and 60 who are completely handicapped, like multiple sclerotics, paraplegics, quadraplegics, people who just cannot help themselves. We operate that, but we do not, senator, get into the housing department. We are interested and we have asked and made a submission to the housing authority asking them to do something about this great group of ours, the under-employed and the people who cannot afford to pay \$100 to \$150 a month rent.

Senator Fergusson: I am very interested in what you have done for older people in the way of housing in the Island. I think it is quite outstanding in Canada, for the size of your province, that you have made such good provision; but even if it does not come under your department, would you know if there is any citizen participation on this level?

Mr. Reid: Yes.

Senator Fergusson: There is?

Mr. Reid: Meetings are held. They bring them together to discuss. I take it you are asking whether we should have a housing development created in a certain area. This is what we are planning for, yes.

Senator Fergusson: Is that not what it was created for, that they should participate in carrying it out?

Mr. Reid: Whether we listen to what the old folks want?

Senator Fergusson: Not the old folks.

Mr. Reid: No, but I mean the community as such. The first thing we do is to try to organize the people in the locality. The Women's Institute, and so on, they get together with the people who reside in these homes. We started this before, and it has taken about a year and a half to go. I made the mistake of going to Europe for three weeks, and while I was away they quietly took this thing out of my desk and moved it up the street. So we did not get on the job. We were trying to organize what we call clubs or community groups to sponsor and improve the situation and perhaps spread it out.

Another thing we would like to see in welfare, we feel that all these homes, the nursing homes and the apartments, have certain facilities which could be used by the community. We could have a counsellor there, for instance, once a week, and he could have older people who work as residents there and come in and talk over their problems. Things like this, these would be worth while.

Senator Fergusson: I think that is terrific, and we do realize that with this development of the homes you have to reach out in the community and give help to the older people, but you are speaking only of older people, while I am also interested in tenants in public housing who are not older people.

Mr. Reid: This is the group, senator, (I have mentioned this earlier, I think); I am sorry, I neglected this – the younger families, the married couples who are starting out to make their way in the world, having difficulties. Yes, I think this is true, that we have to do more. As far as welfare is concerned, we have made a submission to our housing authority asking them to come up with something. About all I can tell you to-day is that they have come forward with what they call some kind of plan for shell housing, to provide these homes which these younger people can come in and finish themselves. This will perhaps be helpful.

As you know, C.H.M.C. recently had increased their grants. Anyone almost can borrow now, but unfortunately the "almost" is still there. This is in the offing. Shell housing has definitely been proposed. It was in our Throne Speech the last session, and I hope it will come up again on 2nd June when our House reconvenes. It is definitely in the offing.

Senator Inman: I have a question, Mr. Chairman, on page 25, where you speak of expropriation law, family law, and so on. Is there any system of legal aid for the poor on the Island?

Mr. Reid: At the present time, senator, no, but there is, again, in the most recent Throne Speech provision for it. The legislation has been prepared, and it goes a little further, I understand, and in addition to this there is going to be help brought forward in the form of a family court. This is going to be helpful. This is all prepared, and I am sure will go right forward.

Senator Inman: So really up to the present time . . .

Mr. Reid: There is not anything, except that we advise the woman. An unmarried mother comes in to

me and I have to advise her to see her lawyer; and unless her lawyer is a good-natured fellow and will take her case, she has a pretty rough time, except the help we can give her.

Senator Inman: And if the lawyer should take her case, most of the culprits leave.

Mr. Reid: The culprit leaves the province, and she is no further ahead. So we feel in this kind of welfare and in general welfare, we have felt the simplest thing to do is to help this poor woman with her problem; have the man in and talk to him and see if you can reason with him. That is all you can do, and if you can get them back together, fine; if you cannot, you help her all you can to get her back on her feet. Probably in some cases you will have to take her children and put them in one of the homes until she gets re-established well enough to take them back.

Senator Inman: What about if they need any advice on landlord and tenant matters, or anything which is personal?

Mr. Reid: Unless we can do it ourselves or can impose on the good nature of our Deputy Attorney General to advise, they have to go and make their own way to a lawyer.

Senator Inman: So that legal aid is badly needed.

Mr. Reid: Quite. There is no legal aid as such at present.

Senator Inman: On page 26 you speak about home nursing. Are there any nurses now that come in to see poor families with an invalid or somebody who has just come out of hospital and needs care? Have you any nurses?

Mr. Reid: First of all, senator, we have no V.O.N. in the province; that is one thing we have not got in Prince Edward Island. However, we do have a fairly active public health nursing set-up, and if they know of any home that needs help, no matter where it is in the province, if I suggest to them through welfare channels that they look in, they will. It is not a regular visiting service. The only regular visiting service we have offering nursing service, are three welfare bureaux, one in Summerside and two in Charlottetown. They have nurses attached, and they make regular visits daily to various homes in the city or in Summerside or wherever it may be.

Senator Inman: Is there a charge for this service?

Mr. Reid: There is a charge if they can pay, if they wish to. It is gratis, it is definitely free.

Senator Inman: I guess you are too young to remember when this Miss Earl used to operate in the dispensary.

Mr. Reid: Yes, this was the free dispensary, but this has been carried on by the two welfare bureaux. They both do this, and they have nurses that go around. As a rule they are student nurses from hospitals, and they go around under direction from the welfare bureaux and visit these needy homes, get the mothers cleaned up for the day, probably get the children their breakfast and send them off to school.

At the present time under our new development plan, we have a project put forward under the Health Department for what we call home nursing care. This would be an expansion of the public health nurses. They would have extra people who would take this on, and in addition to just the occasional visit where they would perhaps give an inoculation or make a bed, these people would go in and perhaps stay for the day. There will be a fee for this service if the people can pay. If they cannot pay, we will pay it under the Canada Assistance.

Senator Inman: Would they be a sort of home-maker type?

Mr. Reid: That is right, home-making/nursing; it is a kind of co-operative effort.

Senator Inman: At the present time if a person needed home nursing care, how would they go about contacting somebody to get it?

Mr. Reid: First of all, probably the family doctor would make arrangements if he could. If not, he might say: "You phone the nurses' registry". This is expensive and costs \$20 or \$25 a day. So what they have to do as a rule in the case of a needy family, they would come to my office or somebody in our department, and we would try to get one of the mothers who was on the relief or welfare roll, or one we know of who would go out, and we would pay her to go and keep house for that family whilst the mother, we will say, was in hospital or whatever the case may be. We have had to do this, so that a man can go to work, for instance. If the woman of the house is away busily negaged having another child, the man wants to carry on his work rather than stay home and lose his \$15 a

day so as to keep an eye on two or three children. We try to get a home-maker in there and let him go to work. In some cases he pays. If he has the wherewithal, he will pay; if he is a better type of fellow and one who has a job where he is making a reasonable amount, such as a railroader or something, he can do this; but there are lots of them who unfortunately cannot afford to pay, when we just put that home-maker in there and it is charged up to Canada Assistance as a welfare service 50/50.

Senator Inman: I think particularly of a convalescent case, or perhaps a person who would have to have a bed bath, but they cannot be in hospital because they are too full. That would need a nurse's aid perhaps. How would they contact you? They would still call you?

Mr. Reid: Likely would call us and ask us, and I would probably in this case get one of the aids from one of our homes to pop in there once or twice a day at a dollar a call or something to do this. This we have done, too. But 90 per cent of those, senator, when they get that serious, they come to somebody in the department and say: "We want a bed in one of those homes you are operating". I would say in the last two years 90 per cent of our cases have come to us from hospitals. This you will all be amazed at. They come out of hospital on stretchers, on crutches or in wheel-chairs, not able to walk out, this is the way they are being discharged, and we take them in our welfare institutions supposedly until they are able to walk again, but they get in there and they like it so well they stay there the rest of their days. We have them there, old folks, 100 years of age, and they stay with us. It gets to be home.

Senator Inman: Of course what we need is more hospital accommodation.

Mr. Reid: I think, senator, that on a per capita basis Prince Edward Island is pretty well off for hospital beds.

Senator Inman: Well, people are more hospital conscious to-day, and they go in for things they used to stay home for.

Mr. Reid: Another thing I think the senators here will be interested in. In Prince Edward Island we always had big homes, and it is just the same in rural Saskatchewan, I think. In the old days everybody was welcome in everybody's home. You always had a spare bedroom or two and there was no problem. To-day

people are living in small apartments, living in one or two rooms on the second or third floor in the cities, and they do not have room to bring in visitors, or to keep mother and dad even after they are married. There is just no room. So we find that our homes, for aged people particularly, are in big demand.

Senator Inman: On page 36 I was rather interested in this where you are speaking about children placed in foster homes which are paid \$60 a month per child irrespective of age or physical condition. That is so, is it not, that it is a flat rate of \$60 a month?

Mr. Reid: Up to a point. We have been able to overcome that now that we have got involved in Canada Assistance. This is slightly astray. We are paying as much as \$90 for problem children, bed-wetters and others that you just cannot get into homes, and we have some others with a problem. We are now trying to get the real problem children—the bad actors, and there are some little fellows who are full of life and will steal the foster parents' truck or tractor and put it over a bank and wreck it, things like that; we are trying to get these people into what we call group homes with a pair of foster parents particularly dedicated to taking six or eight of these children in knowing their problems and saying, "We are going to deal with these problems". We are going to try to have these homes. We are actually setting them up and we have two of them for girls at present. We are paying the foster parents a retainer, whether they have anybody in the home or not; they get so much a month on the understanding that they will take these problem children as the need arises.

Our next step is to make some provision for looking after the young men, because we find that at present we just do not have anywhere and we do not like to put them in gaols. I think you will all agree that is no place to put them. We are trying to get a foster home or group home which will look after these juvenile delinquents, as they are called for want of better words. We have no educational or institutional facilities as such for juvenile delinquents in the province. We have an agreement with both New Brunswick and Nova Scotia whereby we can send these problem people of ours away, but they must be committed to these institutions by the Courts. In the meantime, whilst awaiting sentence and so on, we feel it is wrong to have to put them in with the hardened criminals in the gaols. This is why we are trying to get as quickly as we can a group home, or at least one or two, for these problem young men. We have it now under control for the women; the young girls we can put there whilst

awaiting transportation, say, to the school at Truro or Halifax. We now have these foster homes into which we can put them where they will be cared for under the direction of our child welfare officials and these foster parents.

Senator Inman: I was going to ask you about that problem of getting people, especially in the rural areas, to take these young people. That was not too successful at one time. Can you still do that?

Mr. Reid: Well, we have greatly improved the foster home situation. I think we have been getting probably a better type of woman. We had increased it. We used to pay just \$30 a month.

Senator Inman: I know.

Mr. Reid: Now we are getting it up to \$60 here, and we are paying \$90 for problem children. By the way, this is just board. Anything else is incidental. If one of these children should take the family vehicle and wreck it, we pay for the damages and all that sort of thing, so really this is just, you might say, fringe benefits.

Senator Inman: What about their clothing?

Mr. Reid: That is all provided, senator—clothing, school books, anything they need; dental care, medical care, eye, ear and nose, everything.

Senator Pearson: In your brief you say that you would like more co-ordination in departments. We have already seen in some of the briefs we have received that there is considerable confusion in the welfare programs, and that the recipients did not know where to get their relief and did not know what their rights were. What did you plan in the way of co-ordination of your welfare or within your department, so that these people could be effectively looked after?

Mr. Reid: The first thing we have done, sir, under this overall plan, we have organized and have weekly meetings. As Deputy Minister of Welfare I sit in with the deputies of about seven other departments once a week, and we have been telling one another now for the last ten months or so what we do. This they did not know before, and I had no idea of some of the things that were done in education. I had no idea perhaps of all of the details that were carried on in health. I know that they had no idea what we did in welfare. So we have started to do that.

Then the next thing we have done, we have resident throughout the province our representatives who are located in more or less five major areas. We have people living right out in the community. The people out there, of course, get to know them; they know our representatives, and our investigators or welfare officers know where everybody lives. If I phone one of them and tell him I want him to see Joe Doakes, he will be out there to-morrow, because he knows where Joe Doakes is before he goes. He has a record, he looks up his little book to see: "What did we do for this fellow last time? What was his trouble?" This is the way we keep in touch.

What we plan on doing, and it is something I have been trying to get down to and which has to be done in great quantity, is to issue a little directory that will go out to key people in every centre, and which will be available in the thousands to the public. If they want to know, for instance, where does a handicapped person go for help, it will be in this little book where he goes.

If he comes to me, I am also co-ordinator of rehabilitation in the province, so I can tell an individual where to go to get treatment of this kind or that kind, whom to see and how to get there, and make arrangements. We are fortunate in being a small province. In the bigger provinces there are about 20 different people doing all these things. In our case, when I say greater co-ordination is necessary, I feel that we should know what the education department has to offer, what Manpower has to offer, what the labour department does, how I get a man into apprenticeship training. I think we should all know these things, the heads of the departments and the public should know, I agree with you, and they do not know.

They tell me in Prince Edward Island that they have trouble. I do not know of anybody having trouble getting to the Deputy Minister of Welfare. If they do, it is not his fault. They can come in. The door is always open. They can phone or write or do anything they like, or get in touch with one of our representatives. Clergymen can come in, and any representative, clear-thinking citizen can come and any time ask for help for one of their people. I think we are doing a fairly decent job, and in 48 hours we get somebody sitting down with that person in trouble. If it was a case of nothing to eat in the house, we get groceries there just in the time it takes to make a phone call to the nearest grocer. I think this is the way it should be done in any locality.

We, of course, in Prince Edward Island have a small community of 100,000. I could drive anywhere in Prince Edward Island pretty nearly within two hours from my desk, which is good. If all our provinces were divided into regions like this of, we will say, 1000 square miles in each one, I think we could do a pretty good job. As I mention in our brief, it is not going to be a cheap job but a costly one. However, if we are going to give the service we have to pretty nearly come to that.

Senator Pearson: Next I would like to ask about the question of an interim report. Listening to you this morning, I feel that Prince Edward Island is in pretty good shape as far as handling their welfare programs. I do not know whether they have sufficient money, but you have a good organization going there. What value do you think would come of an interim report from this committee?

Mr. Reid: As far as I am concerned, sir, when I say "interim report" I am not speaking of Prince Edward Island. This is a little difficult. As I understood this, this is to help the Canada-wide picture. I am trying to fit myself in as Prince Edward Island being a part of Canada. Is there any little thing that I could suggest that would help Canada, not just P.E.I.? I feel that all these things that are suggested here, like, for instance, your upgrading of the G.I.S., your upgrading of old age security, improving workmen's compensation (this is a provincial matter right across the board and it would have to be done by each of the ten provinces) and dealing with inflation—these are things that go way beyond Prince Edward Island.

I felt that if you felt that there was enough merit in these suggestions, that you could perhaps suggest to the Department of Welfare federally: "Let us get on with this".

I think you will all agree there is a white paper pending on welfare somewhere along the line, or at least those of us in welfare have been led to believe this. I feel that this is dragging on. Are we letting valuable time slip by on the Canada scene, not just P.E.I.? We are aware these things need to be done, and we have made our suggestions to the minister through the region down there. We have all met with him and had a good hearing a week or so ago, as the brief will show you; but I feel that if we are going to make this a good strong country—and I have been all over the world and I am pretty proud to be a Canadian—I think we should get at it on a Canadian basis, and if there is anything you good gentlemen can do to speed up the powers-that-be in their thinking I think it should be done.

Senator Fergusson: I would like to refer to page 25 where you are speaking of birth control and you suggest that the government in certain of its own programs and through support granted to independent agencies, make real options known and available to Canadians. You have said that Prince Edward Island has already served as a testing ground for some experiments and willing to act in that capacity again. Could your department do this for the people of Prince Edward Island, and could you not demonstrate how it could be carried out? If you did, it would be a service to every province.

Mr. Reid: It might be worth considering, senator. To be honest, this bit here I felt was worth repeating. This I gathered in reading one or two other briefs that were submitted to you, and I felt this was good. This is why I put it in there, as I mentioned in other places, just to emphasize I think it is good.

Senator Fergusson: It just occurred to me it might be tried out.

Mr. Reid: We could do this. It gets back to co-ordination, and we would have to contact our health people and say: "Would you go along with us on this?"

By the way, just as an aside, we have adopted another little plan. I do not think I mention it in here, but during the past year in addition to providing drugs, various pills and what-have-you, for former patients in our mental health institutes, we have adopted a policy of giving prescription drugs to all people who are on our welfare roll at present. This has been quite a help. This, we find, has been another extenuating circumstance in bringing on poverty in a lot of families, that is, they cannot afford the high cost of drugs. This we have done.

By the way, we have also instituted the program, in co-operation with our own department of health, whereby they provide these drugs for us through our own provincial pharmacist and it is no longer done through the drug store. We found that the drug store did give a good service, mark you, and was essential in certain things, but the difficulty was that the cost was terrifically high. We found we were paying as much as \$10 for a \$2 article.

Senator Pearson: You supply the patient with the cost or . . .

Mr. Reid: The patient is provided with the article, and we pay the bill to the department of health. The

patient does not even receive the bill. It is free—well, it is not free but it is shared on the Canada Assistance Plan.

The Chairman: Senator Inman.

Senator Inman: One more question. Speaking of families on welfare, has the province given any thought to giving work to the people where there are projects that have been thought? I am thinking of reforestation, which is going to be very necessary in the world; taking some of the group who would perhaps rather work instead of families being on public assistance.

Mr. Reid: This is what we do to-day with our work activity projects. We bring those people in who have not an opportunity to get a job in their community; they have been on assistance because they cannot get anything. They would work if they knew how to work and had an opportunity. We are going to train these people, and we have made arrangements with Manpower that when we get, say, 10 people trained who can paint, they would come to us and say: "We will take some of those fellows and put them to work in a ship yard or wherever they need painters or whatever it may be, such as handymen." This is what we are going to try to do.

As I said before, when the election broke on us, we had 60 of these people ready to go, and I hope now we are ready to get the green light to go ahead, bring this many in and get them off the relief rolls. In other words, instead of getting \$100 or \$150 a month, I would hope that that man would probably take home \$195 a month. It would give him a little incentive, and he would be able to say: "I am working for a living".

It is much the same thing as we had under the old winter works thing, where we brought people in from the country and had them cutting wood and things like that.

Senator Inman: I am thinking back to the 1930's, when they were paying out dole in the winter months, and I said to the mayor of Summerside, "Why don't you get these people out shovelling snow?" Some of them would rather do this than receive the dole, even in the majority of cases. It seems a strange thing to be handing out this . . .

Mr. Reid: As long as it is work for wages and not work for relief, we can do it; but there is a marked tendency to-day that you cannot ask a person to work for his groceries or whatever; it has got to be for a pay cheque.

Senator Inman: But surely there are some things that could be done.

Mr. Reid: I agree with you, I think we all agree. In our case we have all our various homes, and if we could take these people and get all the rooms painted, I think this is worth while, and the taxpayer is getting something and the individual is taking home a pay cheque to his family. With some of these individuals, unfortunately, we may have to take the pay cheque and give it to the good lady, because you cannot trust some of these men to take the cheques home, but this is something we may have to do.

Senator Pearson: It must be a bad province.

Mr. Reid: Well, I do not think we are any worse than any others, perhaps.

The Chairman: I think we have to clear up one matter. The welfare system in your province is at the provincial level, not at the municipal level.

Mr. Reid: Well, sir, yes, the provincial level; we have just one provincial unit in a sense, except that we have two municipalities working as such, the city of Charlottetown and the town of Summerside who do work as units. They have in the city of Charlottetown two welfare bureaus. We have, the same as Newfoundland, the old religious system of Protestant and Catholic, so that we have two welfare bureaus and they are charged by agreement with the city and with us with providing assistance to the needy people within the area, the city of Charlottetown; and Summerside, the town has its own set-up.

The Chairman: Do they contribute?

Mr. Reid: They contribute absolutely nothing, except they keep the records. They send in the claims to us, and we repay them 100 per cent of what it costs, 50/50 federally.

The Chairman: The point I wanted to be clear to the committee was that the department is at the provincial level without contribution by any of the municipalities.

Mr. Reid: Right.

The Chairman: You say in some of the municipalities you may have—for instance, we dealt with the Catholic Women's League in Charlottetown which came before us I recall they were given a budget which

they had to live within and something that they could not over-run.

Mr. Reid: I think you are speaking now of the Catholic Welfare Bureau.

The Chairman: Yes.

Mr. Reid: They are members of the Prince Edward Island United Fund, and this is the budget they would be speaking of; but as far as needy people go, whether they have 100 or 250 families who need help, they can give it, and as long as they live within the budget deficit system of Canada Assistance, this is all right. There is no limit on the assistance that they can grant, but they must live within their salary and all that sort of thing for their own, you might say, pure maintenance and so on. This does not enter it. The assistance given to needy people is shareable 100 per cent; if they have ten families or 110, it does not matter.

My recollection is—I could be wrong and I have not looked at the evidence recently—but as I recall they were spending about \$8,000 a month at the time; and when they asked them the question about increasing the allowances in certain circumstances, they indicated to us that they could not go beyond that, and they had to make that fit into the number of people that they had on assistance.

Mr. Reid: There is something wrong there, sir. As far as assistance goes, they have the same rules as we have. If a family merits \$410 a month, they can give it to them, and if everything is above board and they qualify for that under the needs basis we send them back \$410.

I think you will find, sir, that the thing that is worrying them is that they are definitely limited by the United Fund to a specific budget which they must live within, but this has nothing to do with their help to needy families, nor with their child welfare Act. These are reimbursed 100 per cent.

The Chairman: I think you said to the committee this morning that information to the recipients is pretty well lacking. You are not alone in that respect. It is true from the hearings we have had insofar as provincial governments are concerned. However, you have been aware of that, sir, for some time, and it is one of the really serious matters insofar as it affects the poor people. My question to you has to be: Why has not some of that been done beforehand?

Mr. Reid: Mr. Chairman, seriously speaking, I do not think that our people in Prince Edward Island lack information nearly as much as we are told they do, because there is no difficulty. They come in, and if they have a problem they can come in again to-morrow. We do not chase them. They are welcome at any time. They do not have to have an appointment, and as far as we are concerned I doubt very much if it is as serious. After all, we are only 1000 square miles with 110,000 people. I do not think our problem is as bad as some people paint it. Perhaps I am wrong but I don't think it is.

The Chairman: I do not think anyone is painting your problem that bad.

Senator Pearson: You have good roads down there; you can get around.

Mr. Reid: The roads are pretty good. Another thing about it, I do not know of any other province where, we will say, the Deputy Minister of Welfare will pick a crippled child up and take him from that province to another to get an artificial leg and bring him back, things like this. The health people cannot do this, but we do it in welfare, and I think we should do it. They have rules that restrict them, and they cannot pick up a patient and take him.

The Chairman: But you make the rules in welfare yourself.

Mr. Reid: I think these are little things that worry me. I agree we do not have enough propaganda, and we are going to have to do something.

The Chairman: As I saw the list for Prince Edward Island, I gathered that your welfare list has declined last year particularly.

Mr. Reid: I think what is giving that, you were looking at a graph in connection with this merit, and I think what has happened is that away back in 1966 there was a great . . .

The Chairman: I did not look at that, or I ignored that, but I looked at 1967, 1968 and 1969, and you were down in 1969.

Mr. Reid: Yes. Well, we have improved because of our industry. We have more packing plants and our fishing plants have eased the strain a bit. All these things have helped. As our plan unfolds I hope, as I mentioned this morning, that we will have even less.

The Chairman: Are you part of Medicare?

Mr. Reid: As of 1st December, sir. I might say this, that we in welfare have for the last three years had a plan whereby anybody who was receiving assistance, anybody and his dependents, can also have free medical care. We have enrolled all these people under a local Blue Shield Plan for which we pay the premium. I think it is now about \$37.50 per capita. We have around 9,000 people under that plan at the present time.

The Chairman: I am told there was recently some, perhaps not legislation, but special directives for tenant and landlord relationships, or is that in the making?

Mr. Reid: I believe, sir, these have been passed. They are an order-in-council. This was done about two or three months ago.

The Chairman: Those are new, to meet that special situation.

Now, guaranteed loan for the poor, how extensive is that?

Mr. Reid: As far as at the present time, sir, I should say it is nil.

The Chairman: But you said there was something.

Mr. Reid: We are doing something, but it is more or less the sort of thing that we are just doing in conjunction with their normal assistance, and they go and make the arrangements for themselves. We are not giving guaranteed loans as such.

The Chairman: No, there are some people I gathered from what you told us, that sort of help for home improvements?

Mr. Reid: Yes.

The Chairman: How extensive is that?

Mr. Reid: Very, very small percentage; I would perhaps say one per cent of the case load.

The Chairman: All right. Your case load is 4,000 approximately. What has been the incidence of loss, if any?

Mr. Reid: To date we have had none.

The Chairman: None at all.

Senator Inman: There was mention in your brief some place about an increase in recipients. Why would there be any increase?

The Chairman: Increase in what?

Senator Inman: In recipients.

The Chairman: In numbers? He said there is a decrease.

Mr. Reid: There has been a slight decrease in P.E.I., but this is in the overall region.

Senator Inman: You mentioned they might have expected an increase.

Mr. Reid: I think it is an increase in the overall amount of payment of moneys; not so much in numbers as the overall amount, because we are trying to bring people up-to-date with the times.

Senator Inman: I was thinking that our population is pretty nearly static.

Mr. Reid: That is right. No, this is from a regional report, you will notice, and it is based on the overall amount of payments. For instance, I know my friends in Nova Scotia and New Brunswick would like to be able to afford more for their needy people. This is their hope.

The Chairman: Let me just tell you this. This is Mr. MacPherson of the Catholic Welfare Bureau, and it is on page 4: 38, on November 6, 1969. Let me read that page to you:

The Chairman: You said that when there are changes made in the social assistance, no one appeared to know it except the person directly concerned. What have you in mind on the changes? Do the changes need consent; can it be made at the local level? I am thinking of consent of other governments.

Mr. MacPherson: Before we speak of changes the poor are not even informed of the legislation that is now available to them. Our Social Assistance Act states that a family of seven needs \$325 a month just to meet their basic needs, but when they come into the office you can't afford to give them this \$325, so you try to give them \$150 to

\$175 and you say, 'You make both ends meet on this,' They don't know their rights. Legislation has said, 'We know you need this and it should be available to you, but it's not. We are not going to tell you about the program.' It sounds good for a government to come out at election time and say that this is what we are going to do, but in order to implement it we need the money and our island here hasn't got the money.

That was my recollection.

Mr. Reid: How much did he say, sir, because I will tell you, just to put you in the picture, that he came to us last fall, province where they had a minimum of \$150. It is now \$175 that they give over there. He is just a transplant; he does not belong to the Island. What I am trying to get at is why a man would make a statement like this.

The Chairman: I don't know. I was there.

Mr. Reid: Reading between the lines, this is what he was trained on. Before he came he was limited to \$150. He is not limited in Charlottetown. If that family need some three hundred and some dollars, he can give it. We will straighten him out.

The Chairman: I recall we were examining him at that time and he gave evidence and we listened to him. He was the director of the Catholic social services, or the assistance director, and he gave us that information. Your information to-day is a contradiction on what he said anyway.

Mr. Reid: I would hope so. I am afraid he is carrying back to this previous association, and this is unfortunate. I like to get at these things, as you do, and we will fix it.

The Chairman: That is what I came out with anyway. It was a story that we had heard very often before, and it is a little different that when you tell it to-day.

Mr. Reid: We might chisel a man who, for instance, is entitled to \$315; we might give him \$312, but we certainly would not do a thing like that.

The Chairman: No, but, Mr. Deputy Minister, we were listening to people who were telling us their story, were examining them. That was the question I asked him because it is a normal question for us to ask. This was his answer and there was no other

answer to it. To some extent our minds are oriented towards that kind of thinking.

Mr. Reid: This is very helpful to me.

The Chairman: There was something here about the working poor and medical aid. Very often in some of the provinces for the working poor we see medical, dental and other aid almost automatically. Do you do that?

Mr. Reid: Not unless they are on our roll; unless they are on our roll we cannot do it.

The Chairman: Let us put it this way. A man to whom you are giving some assistance, you will put him on the medical aid and . . .

Mr. Reid: Drugs and whatever is normal, whatever he needs.

The Chairman: Medical and drugs; even glasses?

Mr. Reid: Glasses.

The Chairman: Glasses, hearing aid?

Mr. Reid: Anything.

The Chairman: I see. You have a head-start program.

Mr. Reid: That is down in King's County, sir.

The Chairman: How is it getting on?

Mr. Reid: I understand very good indeed. They are doing a lot of this experiment in day care and that sort of thing. I understand they are training ladies who will go out and do day care and also, we hope, will train ladies in some home-maker services which will be very useful.

The Chairman: Do you co-ordinate with them?

Mr. Reid: Yes, we are in touch with them. In fact, the director of their day care services there and their children's efforts are working with us now in preparing legislation for the province to look after day care centres and so on.

Senator Inman: Do you find much of a need for day nurseries for working mothers with children? Is there any thought of that?

Mr. Reid: This is the sort of thing, day nurseries for children, that would enable mothers to go to work in fish plants and things like that. This is what they are expanding an effort to do at present, getting this line up. We find that not only this but they are providing day care for children of more or less under-privileged homes where perhaps there is not as much heat, where father and mother do not get along. There may be an alcohol problem. I understand from the reports we get from these good people, that it is surprising the improvement these little ones are making. They can even see the difference when these kids come to the centre on Monday after being home for two or three days in the environment of the home. In some cases they almost have to start over again to break down the antagonism of these little fellows on being given proper leadership, discipline and so on.

The Chairman: How big a staff do you have in welfare?

Mr. Reid: In our Department of Welfare, sir, we have a staff in the office and in general of about 40.

The Chairman: And how many in the field?

Mr. Reid: Which includes about 12 field staff.

The Chairman: How many points outside of Charlottetown?

Mr. Reid: Do we have people located?

The Chairman: Yes.

Mr. Reid: Five.

The Chairman: Where?

Mr. Reid: Souris, Montague, Charlottetown, Summerside, Elerslie, Montrose which is outside Alberton.

The Chairman: Those are central points and you have a man stationed?

Mr. Reid: Lives there.

The Chairman: He would be alone or have somebody with him?

Mr. Reid: No, he is alone.

The Chairman: He looks after an area?

Mr. Reid: All we have to do is to send the information out to him or phone him, and he only comes in when he is called in. We do not drag him in all the time.

The Chairman: How many social workers? By that I mean, how many trained, qualified social workers would you have on your staff?

Mr. Reid: On our staff all our trained social workers at present are on our child welfare division, and at the present time we have four.

The Chairman: In the welfare?

Mr. Reid: Right, in the child welfare division.

The Chairman: When we are speaking of welfare, you define it for us. What does it include in addition to the welfare of the poor?

Mr. Reid: It includes the child welfare division, rehabilitation of disabled people, and our homes. When I say I have a staff of 40, this is just our main office staff, this is general welfare and child welfare and not including the institutions in that.

The Chairman: No.

Mr. Reid: Because the institutions run a staff of perhaps 350 people or so.

The Chairman: Last year you spent approximately . . .

Mr. Reid: \$7,200,000.

The Chairman: Which was an increase of almost a million and a half over the year before.

Mr. Reid: You will be interested to know, Mr. Chairman, that I have been with the department now since 1956, about 14 years, and our budget has increased from about \$800,000 up to approximately \$8,000,000, tenfold.

The Chairman: Well, in 1956 you are many years away from 1970.

Mr. Reid: But we are coming on, gradually increasing.

The Chairman: There was an increase in spending last year; there was some slight reduction in the numbers. What brought on the increase?

Mr. Reid: Trying to better the allotment to the needy people. The rates were increased.

The Chairman: The rates were increased.

Mr. Reid: We are trying all the time to get more and more for these people, and we review their cases, and we are trying to get them up to the maximum as much as we can.

The Chairman: And you are quite clear for the committee, that there is no cut-off point where you say: "This much and no more, no matter how many children you have"?

Mr. Reid: The only cut-off is based on the financial need of that family, that is all.

The Chairman: As you find the need. It is not based on the pocketbook of the province?

Mr. Reid: No.

The Chairman: Is this what you are saying?

Mr. Reid: That is right.

The Chairman: Have you in other years run a deficit?

Mr. Reid: Yes, sir.

The Chairman: You have, in the department?

Mr. Reid: And our government has always voted it in for us.

The Chairman: Considerable?

Mr. Reid: Last year, as I remember, it was about in the vicinity of \$600,000—\$807,000 last year. They made that up. In other words, they realize you have to put that out. This was our budget and this is what we actually paid out.

Senator Fournier: Are you short of money? If you had more money, could you help more people?

Mr. Reid: Yes. If we had more money, sir, we could increase our rates. I feel we could increase our overall budget system, make our allowances more generous. We could train more badly needed people for counselling and supervision of a decent welfare plan, which any province would like to have. We could, as I think

Senator Inman indicated earlier, create more job opportunities. This is one of the important things. Those are three things we could definitely do if we had more money.

Senator Fournier: Do you have the situation whereby a person is better off on relief than working; he can make more money by not working and being on relief?

Mr. Reid: No, I do not think we actually have that, although some of them take that attitude. I personally feel, and I always advise anybody, that they are much better off working even though it may only be \$20 a month. But what can you do with a person if you say: "You get \$100 on assistance. If you work you get \$120 or \$125"? There is perhaps not enough incentive in the spread, but we have that sort of person and I think we have them in every province. I do feel that a man is always better off working than he is on relief.

Senator Fournier: Do you have a policy whereby you like to give encouragement to a man to remain on his job instead of going on relief?

Mr. Reid: Yes.

Senator Fournier: And you have a policy whereby, assuming that he has an earning capacity of \$60 and he needs maybe \$80 . . .

Mr. Reid: Yes, we do that, we try; we are presently supplementing. But, again, this is a point we mentioned earlier, that we would prefer that a man's income would be such that we do not have to supplement. We do not think this is good.

This will shock you good people, but within the last three years we have had people working for the government in our province receiving an allowance from our department at the same time. I felt this was wrong. I went to the minister concerned and I said: "You should do something about this". One of the members was on our welfare committee, one of the ministers, and he did. That man now, instead of getting about \$200 to keep himself, he was a paraplegic and we had trained him as a draughtsman, and they gave him a job, sure, but he was only getting about \$100 to keep himself, four children and his wife. He just could not do it, so we had to subsidize him and now he is getting, I think, around \$420 a month, which lets us off the hook and he is no longer on relief, which is the way it should be.

Senator Fournier: Thank you, sir.

Senator Pearson: What percentage of assistance do the federal government pay?

Mr. Reid: Fifty-fifty, sir, on the direct assistance. They pay 50 per cent also on any of our salaries, our staff and so on whom we have engaged since 1st January, 1966, since the inauguration of the plan, but it is a 50/50 deal.

There is another thing I think we have to realize that makes for the cost in this, and that is the contacting. We have to make all the contacts or visits, the repeat visits; the services all have to be pretty well rendered by the province. Sure, the federal government shares in a 50/50 deal in regard to welfare services which they approve all right, but they do not share in all the travelling expenses and some of these involvements that you run into, but they do share on the direct welfare cost.

Senator Pearson: The direct payment to the recipient.

Mr. Reid: Yes. One good thing that came out of the Canada Assistance Plan when it was finally adopted, was the sharing of the cost of child welfare. This was a good thing and it was a big break for our province particularly. They are sharing 50 per cent now of the cost of our foster home care and all that sort of thing in connection with children who are awaiting adoption and wards of the province.

The Chairman: Under the Canada Assistance Act?

Mr. Reid: Under the Canada Assistance Act, yes. This has been a big help.

The Chairman: May I, on behalf of the committee, thank you for the pains that you took in presenting the brief, which has been carefully considered by the committee.

We are impressed by the fact that there is a definition for need, and it is a human and very humane definition of need, which is something that is very vital to the people concerned. It is a realistic one.

We appreciate, of course, the interest and concern in the problem in Prince Edward Island, and the fact that they are spending 17 per cent of their total budget in welfare of various kinds, which is a little more than some of the other provinces are spending. It indicates

an attempt to deal humanely with the people of the province.

Senator Fournier: Mr. Chairman, before we close, may I ask a question which may not be relevant to the brief but which I would like answered. What do you do with your retarded children?

Mr. Reid: It is pretty well under the Retarded Children Association's jurisdiction. They are a voluntary agency, as you know, but we do have a fairly wide-awake mental health division in our province headed up by Dr. Beck, and they provide more or less a constant counselling service to these families and for the children involved.

In addition to that we have a retarded children's school set up in the Department of Education. There are about four or five of these classrooms operating about the Island now. The Department of Education supplies the teachers, specially trained. I understand, and I understand that the C.A.R.C. supplements, instead of the normal, you might say, town. In the City of Charlottetown, the city does pay the teacher, but in some of the smaller areas the association puts up a subsidy. Those are functioning.

Then we have what is called a home for retarded children — Sherwood Hospital. It is a little residence for 21 children, a nice little place where 21 are in residence under foster parents' care, and the meals are served from the parent Riverside Hospital nearby.

In addition to that there is operated there a day school for the retarded, and this is one similar to those in Montague and Summerside. The children are brought in by bus by the Legion in this case. They come in and spend the day there. We have those schools.

In addition to that, once they get to be young adults there is a problem, and they have created, as you probably remember, what we call an occupational training school just outside Charlottetown near the Charlottetown rural high school. These young people are brought in there to give training in handicrafts and in, we will say, vocational things such as bookbinding. The girls are trained, as I understand it, in looking after motel accommodation, maid work and this sort of thing. This is actually being done for the young people. I understand that Manpower even participate in some of these courses where the people are training, and they will share in the cost of the regular allowances paid for the courses.

Senator Fournier: I think you are better organized than many of the richer provinces across Canada.

Mr. Reid: Again, I think it may be due to the fact that we are a small, compact unit, and it is a little easier for our people to get together.

The Chairman: I think also we had Dr. Beck before us and he is a dynamo.

Mr. Reid: Yes.

The Chairman: In this particular work, and as I recall him he gave us quite a broad view as to what is

being done. They have leadership there that we had not seen before.

Senator Fournier: I think so.

The Chairman: If there is nothing further, on behalf of the committee I thank you.

Mr. Reid: Thank you, sir; thank you, ladies and gentlemen.

The Committee adjourned.

APPENDIX "A"

BRIEF TO THE SPECIAL
SENATE COMMITTEE

ON POVERTY

DEPARTMENT OF WELFARE

PROVINCE OF
PRINCE EDWARD ISLAND

MAY 13, 1970

Introduction

The Department of Welfare of the Province of Prince Edward Island sincerely appreciates the opportunity afforded it to present a Brief on Poverty to the Special Senate Committee on Poverty at this time, we wish to take advantage of the occasion to say we have followed your proceedings and deliberations with interest and we want to compliment you, Mr. Chairman and your Committee on the time, effort and thoroughness you are putting into your enquiry.

Creation of the Special Senate Committee on Poverty, we believe, was truly a step in the right direction. Its activities since its inception are resulting in a tremendous impact on the problem and as never before are involving the welfare-minded section of this country in a deep search for solutions.

Your Committee has definitely brought out the fact that poverty is a country-wide problem varying from region to region in its intensity and complexity. It is our hope as we present our thoughts concerning the problem as it affects the Province of Prince Edward Island that the information we provide in our Brief will be of some assistance in reaching conclusions which may help in solving the problem of Poverty in Canada.

You will note we have probably refrained from referring to a number of appendices and I am sure that you will also notice a lot of our thoughts are identical with those expressed in other Briefs presented to your Committee. However, we are all thinking about the same problem and, therefore, a lot of our thinking must be along the same lines, our hope being that with

repetition important points may be brought to the fore. If after consideration of our Brief the Committee should have any questions pertaining thereto we will be only too happy to provide information verbally or should it not immediately be at hand at the time it will be our pleasure to forward same to the Committee in writing as all information put forward can be substantiated by reliable statistics, already in the hands of your Committee or available to them upon request.

Poverty

Poverty is a complex thing. It is not simply low income nor lack of material things, it is not a condition at birth (we are all born equal), it is not any one factor nor even several factors combined since they can be offset by other factors. It is a most difficult subject on which to give any complete and precise definition.

Poverty can be considered as a mixture of low or no income, inadequate food, clothing and housing, lack of opportunity, health problems, social exclusion and other indignities. Poverty may be compared to the human body lacking thought, anticipation and future aspiration; its real tragedy is that it liquidates the human, precludes hope, erodes expectation and is a form of dying.

As we see Poverty, it is so complex that we have no hesitation whatsoever in leaving a detailed definition to specialists or in accepting the definition used by the Economic Council in their Fifth Annual Review.

Some authorities consider those to be in the low income group who spend on the necessities of life over three-quarters of their income. The balance of income left at their disposal is usually considered so small as to leave the individual and family in the grouping generally accepted as being in poverty.

Another yardstick used in measuring poverty on this Continent is to regard those in such a classification if their income falls below approximately—

\$1800 for an individual
3000 for a family of two
3600 for a family of three
4200 for a family of four
4800 for a family of five

To keep these figures up-to-date 5 per cent should be added annually to cover inflation.

Should these figures be accepted on a national basis then we would find a very high percentage of families on Prince Edward Island would be included in this poverty classification.

Extent of Poverty in Canada

With regard to the extent of poverty in Canada this Department is not in position to provide much useful data as we are limited to knowledge of our own Province. However, we can truthfully state that many of the Federal Welfare Programmes have failed to accelerate with inflationary trends. Likewise, salaries and income in Prince Edward Island in many areas and particularly with respect to our primary farming and fishing industries have also failed to increase at current inflation rates prevalent in Central Canada. On the other hand, cost of living has increased more in line with increases in the larger industrial areas. The foregoing factors indicate that as long as these trends continue more and more of our citizens will fall into the various categories of poverty.

Some Suggestions Worthy of Prompt Action

1. Old Age Security payments should be increased:

The statutory provision which increases by 2 per cent in any year is insufficient and should be corrected. The Minister of Health and Welfare has said that adjustments in pension legislation must await presentation of a White Paper on social policy. He has recently added that legislation arising from this White Paper is not likely to come about before possibly two sessions of Parliament. This certainly slows down the help process and we urge something be done to speed up matters.

The basic old age security benefit was at a level of \$76.50 per month January 1, 1968. It rose to \$79.58 effective January 1, 1970. The \$3.08 increase in basic old age security benefits since 1 January 1968 is far behind the escalation of prices in the same period. Indeed the buying power of the pension is upwards of 7 per cent less than it was three years ago.

Guaranteed Income Supplement suffers from the same deficiency. The net result has been that upwards of one and one-half million old age security recipients are worse off at a time in life when they can expect additional expense pressures for such things as special foods, medicines, hearing devices, etc. The situation is, of course, most serious for the 785,000 Canadians

who receive the G.I.S., particularly those (62 per cent) who receive the full supplement.

Provinces are attempting to meet the needs of such persons in various ways. British Columbia uses the Canada Assistance Plan to provide a \$150 monthly income to those who meet "needs" qualifications. The additional costs are shared 50-50 with the federal government. The Ontario Government has announced a \$100 tax rebate program to assist home owners and tenants of self-contained housing units. Such programs are of undoubted value in meeting the needs of some thousands of older citizens.

We would stress however, that there are provinces who cannot provide an adequate guaranteed income level for older persons because they find it hard to provide their 50 per cent of an income supplement under the Canada Assistance Plan and the Atlantic Provinces (P.E.I. included) fall into this category.

In any event, many older persons requiring assistance do not take advantage of the program because they "do not want to go on welfare".

It would appear the appropriate action here is to amend the Old Age Security Act and remove the 2 per cent limitation, permitting the level of increase to correspond to actual cost of living changes.

Indeed, given the increasing numbers of persons who must make use of the G.I.S. provision (including 62 per cent or more who require the full G.I.S. benefit), we suggest prompt consideration be given to adjust the level of the basic \$79.58 benefit upwards, in view of the actual experience of the last four or five years.

2. Unemployment Insurance

At the present time increasing unemployment is being permitted as a weapon against inflation. The rapid increase in the numbers of unemployed persons is revealing the inadequacies of range of coverage and scale of benefits in force and we agree with those who feel this program should be more total in coverage and benefits should be increased to represent a greater percentage of lost earnings.

In testimony before your Committee, the Department of Labour noted that "unemployment insurance does not lift a poor man out of his poverty". We feel about all it does is to push the person (and his family) toward poverty and welfare dependency.

It should be noted, too, that *maximum* weekly benefits are (since June 30, 1968) \$53.00 per week for a person with one or more dependents, and \$42.00 for

a person with no dependents. Given the cost changes in the period since June 1968, these levels are some 6 to 7 per cent short of keeping up with rising costs.

If unemployment remains for some time at its present level this means that some 1,000,000 Canadians have been eased into poverty, and will endure serious economic hardship, psychological stress and the possible loss of assets hard-won over the years.

This is a National problem and we would again suggest prompt remedial action by the Government of Canada.

Specifically, we suggest:

(i) increase of benefits to a level representing at least three-quarters of previous average earnings.

(ii) supplementary benefits that will cover (on behalf of the claimant and family) premium costs for related federal-provincial insurance programs—e.g. medicare and hospital care. We stress this because of the relatively high premiums for such services in at least half the Canadian Provinces, meaning in effect that either coverage lapses or the household squeezes expenditures on necessities to meet such costs.

(iii) enlargement of the range of the program to include most, if not all, salaried, professional and other members of the labour force not now covered, including those working for charitable and religious institutions and foundations. Such enlargement of the program range would enlarge the fund available for benefits. At the same time it will bring to cover those persons once thought relatively immune from unemployment, but now becoming vulnerable as a result of shifts in personnel and technology patterns in business and industry (e.g. middle income range and upper income range technicians, professionals, etc.)

3. *Workmen's Compensation*

The arguments we have advanced concerning improved benefit levels for old age security and unemployment insurance apply also to Workmen's Compensation benefits so we suggest benefit levels should be reviewed by the provinces and brought closer into line with the claimant's previous earnings level and the current living costs for the region.

If workmen's compensation programs are to maintain individuals and families in non-income-earning periods, benefit levels must be adjusted to provide a realistic percentage of previous earnings and relate to actual living costs.

4. *Inflation Combat Programmes*

We feel the Government of Canada should review current programs to combat inflation and modify them in view of their present detrimental effect on the poor.

At present, the lowest income groups are hit by high prices; at the same time the programs of economic slow-down have resulted in half a million Canadians becoming unemployed, with punishing effects on at least another half million persons who constitute their dependents.

Business and labour can still act to advance, or at least stabilize, their positions.

The Economic Council of Canada warned (in the Sixth Annual Review) of the possibilities of over-reaction and/or inappropriate reaction to the general inflationary situation.

Just recently, one of your colleagues, Senator Maurice Lamontagne asked Government to recognize the "cost-push" character of the current inflationary process and to tone down programs and remedies that are more appropriate to a "demand-pull" situation.

Current inflation in Canada, and in the Western world, said Senator Lamontagne is "structural, not cyclical in character . . . it is quite possible to have at the same time cost-push inflation and deficient aggregate demand; rising prices and recession . . . Yet most governments persist in fighting price increases as if they originated from a temporary excessive demand".

We ask that the Government of Canada review present policies in the light of that argument.

The economically weak cannot stand greater pressure, this is simply a deliberate escalation of poverty at a time when we ought to be seeking to eliminate it.

We would suggest that firmer pressures on the economically powerful—a firm limiting of price increases; and an accompanying restraint on upper wage levels—combined with selective improvements in the economic position of the weaker economic groups of society would be a more effective strategy, both short-term and long-term. If present policies remain unchanged, the most vulnerable groups in society (the disabled, the aged, the injured, the unemployed, the low-income wage-earner, and the welfare recipient) will be weaker than ever before, and the gap between the affluent and the deprived will have widened dangerously. Such a development would create severe social problems.

Moreover, these same groups will be the ones hardest hit by increases in real property taxes (which are of course passed on in rents) and by indirect taxes on purchase items increased automatically by rising prices.

We therefore feel that modification of present fiscal and monetary strategy must accompany the kinds of immediate program benefit improvements we have recommended. We are very much aware of the importance of controlling inflation. Nonetheless we question the effectiveness and the justice of present remedies.

Long-term plans to eliminate poverty leave much to be desired if in the present crisis and stress we revert to the traditional method of asking the poor to bear the heaviest human and economic costs to keep the "system" working! Poverty in Canada will never be eliminated by simply making adjustments in existing programs, nor by the introduction of new programs alone.

As the work of your Committee has shown, to eliminate poverty a fundamental re-statement of policy must take place and new styles of service must be developed. Axioms have to be challenged; assumptions examined.

We suggest, too, that fiscal and monetary axioms are in need of examination to determine their present appropriateness.

5. Canada Assistance Plan

We suggest prompt federal action to help Provinces review grants and allowance levels of public assistance programs under the Canada Assistance Plan, and to improve the range of programs that are cost-shared under the Plan so that . . .

(i) assistance rates may be reviewed and increased as necessary to reflect price changes.

(ii) provinces may bring into their general program of assistance some of the items or services that are now regarded as "special assistance" or discretionary . . . e.g. provision of drugs, prosthetic appliances, dental services, etc.

(iii) provinces may extend the reach of assistance programs to meet some of the urgent needs of the 'working poor'. This provision of CAP is used with considerable effectiveness in Alberta and need not involve demeaning "investigative procedures". It is unfortunate that corrective health procedures may be stalled because essential drugs or devices cannot be provided under public auspices to those who are

working and who therefore are adjudged to be "not in need".

(iv) provinces not now doing so begin to assist Day Care Services through the provisions of CAP. Here again we stress the importance of the "prevention" possibilities of the CAP. We agree with others that if benefit levels of federal income maintenance programs can be raised to sound levels, the provinces should be able to shift resources to improve the adequacy of public assistance (welfare) grants and at the same time undertake support and preventive programs that will help the working poor and, in fact, the entire community.

6. Recommendation to Committee

We recommend that the Special Senate Committee on Poverty issue an interim report at the earliest date possible and that this report propose such prompt actions by both federal and provincial governments as will prevent further deterioration in the economic and social position of the poor, and forestall increases in the numbers of persons in poverty. We are convinced that remedial actions are possible now, in spite of inflationary pressures and that such actions can prepare the way for more comprehensive anti-poverty, human development programs based on the proposed Federal White Paper on Social Policy and from the continuing work of the Special Senate Committee on Poverty.

Among the recommendations of such a report, we suggest including:

- i) increased old age security benefits, including the guaranteed income supplement
- ii) improved unemployment insurance benefits and coverage
- iii) reforms and improvements in Workmen's Compensation programs
- iv) review and modification of current federal anti-inflationary monetary and fiscal policies
- v) federal-provincial action to improve social assistance benefits and to develop more preventive programs under provision of the Canada Assistance Plan.

Some Suggestions for an All-out Attack on Poverty in Canada

Obviously it is beyond our capacity to outline a comprehensive, inter-connecting network of policies that are required to eradicate poverty in Canada. Your Committee has received a wealth of testimony from varied sources and competencies. To review that

testimony and the studies of the Committee itself is to be aware that the war on poverty will NOT be won unless it is fought on many fronts.

However, we feel that:

a) the evidence shows already that poverty will not be eliminated in this country until we collectively actually do something about it. What is required of us is a response profounder than "enlightened self-interest"—hard work reflected in a programme of action is necessary.

b) the evidence suggests that there is no inexpensive or easy cure for poverty. Comprehensive policy formation is required over a span of years. Federal-provincial jurisdictional indecision is detrimental to real control. Coordination of policies and programs is essential. We believe that federalism can advance policy development in this country and do the best job for the liberation of people.

c) the evidence clearly suggests that much experimentation is required to help us find appropriate programs and delivery of services. We need new styles of federal-provincial partnerships; the integration and coordination of departments or agencies to give clarity and accountability; public-private partnerships to obtain a more relevant 'people-orientation' to programs, and to achieve a degree of community 'control' and direction. In addition, there is need for a much more imaginative use of modern communications possibilities—the press, radio-TV and cable systems, to disseminate information, secure citizen feedback, and indeed, to carry out critically needed training/human development services.

Following along on these thoughts we would propose the following steps to be included in any comprehensive attack on poverty in Canada:

1. Harmonize tax policy—total tax policy!—and social policy objectives.

"...the tax structure in general fails to give adequate recognition to social security objectives. Thus, on the one hand, we are talking about extending social security programmes to aid the poor; at the same time we have a situation where, because of the low level of exemptions given under the tax system, many of the poor are being taxed.

The problem is compounded by the fact that the sales taxes imposed by federal and provincial governments hit hardest at the poor... many of the poor do pay income and other taxes; it is one of the causes of their poverty... All of this seems

to point to the need for closer and continuing consultation between governments and between departments of government to see how the various pieces fit together and to consider whether greater efforts cannot be made to ensure co-ordination of principles and objectives"—Dr. L.A. Kelly, Queen's University, 1969.

As economist Thomas Wilson has also pointed out, it is a fact that Canada's poorest people pay a higher proportion of income in taxes than anyone else. Taking into account the effect of all forms of direct and indirect taxation, lowest income Canadians pay in taxes some 60 per cent of their income.

This particular issue really strikes at the heart of the policy choices—the basic values and goals system—of our society. We will merely toy with poverty problems unless we relate the processes and structures of the total tax system to the expenditure—program priorities of our society.

"To achieve equity in the sense of a reduction in income inequality is one of the major objectives of modern government. The two principle instruments are taxation and expenditures, and it is the combination of the two that determines the net effect on equity. For example, a steeply progressive tax schedule combined with expenditures that benefit the well-to-do (highways, power boat facilities, airport construction, subsidies to cultural activities) could be less equitable than: a moderately progressive tax schedule with expenditures that benefit lower-income groups (public hospitals, low rent housing, services to the aged and indigent)". A.J. Robinson—"the Concept of Equity in the Carter Report"—Public Finance in Canada—Selected Readings, Toronto, Methuen Publications—pa 30.

If the thrust of education expenditures continues to benefit the rich more than the poor, if health and care institutions continue to develop along traditional lines without a reorientation in the direction of 'prevention' as against 'case treatment'; if urban transportation networks are basically "access and egress routes" for the more affluent, without priority attention being given to the design of alternative transportation systems that will serve the total population of a Canadian megalopolis; if our rural programs deal in piecemeal fashion with economic crises and are not fundamentally concerned with developing models for viable "rurapolitan" networks—than modest victories for equity in the income tax systems will not be of much account.

2. Income Maintenance and Redistribution Measures should be primarily a Federal responsibility to make possible the re-design of Provincial "welfare" systems and a de-emphasis on tax types that have a regressive effect on the poor.

a) We are convinced that the Federal Government is the appropriate jurisdiction for Canadian income maintenance programs and suggest that federal control in this area would permit most effective coordination of present policies and the development of more equitable ones in the future.

We have already suggested that increases in old age security payments, unemployment insurance payments, would lift many Canadians above the poverty line.

We would now suggest that thinking of a guaranteed income program for Canada, the federal government should consider a major improvement in family and youth allowance benefits. We feel that the benefits be tripled (going from \$6, \$8 and \$10 as at present to \$18, \$24 and \$30), and that youth allowances should be available beyond the age of 18 when, by simple declarations, it is shown that the person is not attached to the labour force and is involved in some form of training program.

The costs of such a transformation of benefits would not be excessive, if benefits became taxable income, and if tax exemptions for children and youth were reduced or eliminated, in coordination with appropriate revisions of the current suggested White Paper tax reform proposals.

The effect of these changes would be to maximize the benefit to the poor and the 'near-poor' (the underemployed, the unemployed and the low-income wage earners), while also maximizing recovery through the tax system of demogrants from those who do not need them. The federal borrowing costs need not be excessive since adjustments in the tax deduction procedures would keep the recoveries in line.

The suggested changes would move Canada in the direction of more comprehensive guaranteed income arrangements, and would in effect achieve such a result for the most vulnerable segments of our society.

At the same time, policy design for a guaranteed income program could be in progress. Consideration might be given to introducing such a program in one region, for example, Prince Edward Island. Our Province is relatively small, a manageable jurisdiction with a "captive" population and where several other surveys have been made and it might be possible to test

in such a way the procedures that would permit a nation-wide re-working of income maintenance programs in the direction of a guaranteed income system. In principle, we support at least exploring the idea of a guaranteed income program as a "social right" objective for Canada.

At the same time, however, the current rigidities of the G.I.S. in the old age security program suggest that a premature launching of such a scheme would be undesirable. Unless care is taken, obviously, the guaranteed annual income mechanism can keep individuals in poverty, rather than liberate them.

(In any event, as the Committee knows, there are prodigious technical and conceptual problems to be overcome—for example, how much erosion of adequate income levels can be tolerated as a "trade off" for probably necessary "work incentives").

b) the fundamental shift we propose in federal income maintenance policy, in our judgement, does NOT threaten nor diminish provincial constitutional responsibility in the field of "welfare".

On the contrary, we believe that it will make possible the radical, essential, re-orientation of provincial welfare systems from relief, to human and community development processes.

Moreover, if the fast-growth tax fields of the federal authority could assume responsibility for income maintenance programs for all Canadians, provinces would be able to shift the use of their more restricted, slower-growth tax fields toward community development and human development programs (education, health and municipal affairs) and ease the pressures on real property taxation, which is penalizing more and more of our citizens.

It is in this way that we see new federal revenues, generated through tax reform changes (estimated at \$630 millions a year), being used so as to achieve greater balance and equity in the overall tax system.

3. Occupational Training and Up-grading programs must be improved in range and duration; and major grant funds should be available to private agencies in the adult education field.

Given the statistics on adult Canadians with very limited education or no formal education at all, present federal training programs are not adequate, and the program duration time is too short.

We have followed with great interest the evidence your Committee has brought out concerning this

matter. As a year's program can at best achieve about 3 years upgrading educationally, the existing programs fall far short of what is required to upgrade the education levels of thousands of Canadians. The Basic Training for Skills Development program must be extended in its coverage period so as to be useful in overcoming the very considerable education deficiencies of many persons, and also that it may take account of the slower level of functioning of some adults who use the program.

At the same time, we believe that every effort should be made to coordinate planning and major support should be given to organizations (public or private) who are on the front line of adult education work, especially in more remote areas, or in the context of community animation.

We were greatly impressed with the submission of Frontier College, Toronto to your Committee. We trust that the Department of Manpower and Immigration will increase assistance to the \$50,000 level proposed. Such organizations should be encouraged, their skills and dedication used as widely and intensively as possible. More grant assistance for such work is essential if we mean to build human development ideas into our anti-poverty programs.

4. *Canada should end illiteracy*

There are Canadians at work today in many parts of the world, "making gains" against illiteracy.

What's the situation in Canada?

In response to a question raised in the House of Commons March 9, 1970, Mr. Yves Forest replying for the President of the Privy Council, said that:

"In Canada's adult population (20 years and over) according to the 1961 census, there were 169,904 illiterates with no schooling . . . and 828,597 who were functionally illiterate, with one to four years of schooling.

According to the 1961 Census 13.4 percent of the unemployed aged 15 to 19, and 10.4 percent of those aged 20 to 24 were functionally illiterate, with less than five years of elementary education.

In 1967 8.32 percent of juvenile offenders were functionally illiterate (1,499 of 18,000 juvenile delinquents who had been to court). Of those who entered Training Schools in 1967, 12.83 percent were functionally illiterate."

The Atlantic Development Board study: Profiles of Education in the Atlantic Provinces, notes that 10.8%

of Canadians are illiterate or functionally illiterate. In some regions and communities of Canada the rate rises to 44 per cent, including levels of 6 per cent, 10 per cent and even 17 per cent total illiteracy. Such statistics are evidence of deep human deprivation; they also suggest something of the way in which the consequences of such deprivation will spill over to affect the milieu of the next generation.

Surely, as part of a comprehensive strategy against poverty, Canada will mobilize experienced personnel, develop programs and adapt others, and through a mobilization of public and volunteer effort make progress against illiteracy in our own nation. In fact, we would hope your Committee might engage in a study as to how modern communications systems might be useful in overcoming illiteracy.

5. This Department of Welfare supports vigorous efforts on the part of Canadian unions to organize the 60 per cent of Canadian employees still outside worker organizations.

To be sure, unions, like all other institutions in present-day society, must discard outmoded "crafts" and styles, and develop new forms of procedure, and indeed, of co-ordination with management appropriate to our industrial-technological systems.

But in this age of international corporations, where policy decisions may show scant regard for economic and human considerations in one community in a single nation, union leverage from the inside is important.

Some 40.9 per cent of Canada's poor, and 66.5 per cent of the 'unattached' persons live in Canada's cities. As they obtain employment they are very vulnerable, and can easily be held to low wage levels in an industrial "ghetto". Union organizing activity, therefore, is important as a counterforce to depressed working conditions. It is to be hoped that Canadian trade unionists will continue efforts to supply organizers to the poor and working poor, as a stabilizing force on the side of social justice.

6. There is need for housing and land development policies that are truly in keeping with other elements of anti-poverty strategy.

For many months, this Department has been concerned with the growing crisis in housing for lower-income citizens, a crisis that persists despite shifts in government policy that have directed more funds toward subsidized housing. Indeed, we are endeavouring to have our Housing Authority undertake a demonstration project in multi-income-level housing

to see if there is any way we can achieve a project that will reach the lowest group.

In 1965 about 97 per cent of N.H.A. loans went to the income group representing about 60 per cent of Canadians.

Many housing markets in Canada are available only to the upper third of the population.

In 1969, 205,000 housing starts were achieved—and yet the “filter down” process works less and less adequately. Thus the real issue, as President H. Hignett of Central Mortgage and Housing Corporation said, is “not the numbers, but the mix”.

We were impressed by the CMHC brief to your Committee, which stressed how “much of the population has no access to areas of new buildings and the choice of access among those who can afford new housing is narrowly restricted by the level of their income . . .” Mr. Hignett brought clearly before us all the fact of “territorial separation” taking place, especially in metropolitan communities; a separation between rich and poor.

We support the main recommendations advanced in the CMHC presentation, particularly:

- (i) dispersion of public housing units in smaller groupings
- (ii) preservation and rehabilitation of neighborhoods
- (iii) involvement of citizens in community design processes
- (iv) housing allowance programs to assist lower income families

We believe that other improvements are required in Canada's housing/land development programs:

(a) We feel that despite the Economic Council's strictures (in 1967) that housing had tended to bear too large a proportion of the burden of cyclical adjustment, Canadian housing policy is still too tied to fiscal and monetary policy considerations.

(b) We suggest that Canadian housing legislation needs to provide some of the interest-supported, rent supplement and non-profit program possibilities available under U.S. housing law.

For example, “221 (d) (3)” housing is a program of below-market rate of interest which enables non-profit groups, cooperatives, and other agencies to provide housing for families of moderate income.

Under certain categories of rent supplement program, 95 per cent to 100 per cent borrowing is possible, enabling nonprofit, cooperative, groups to venture into the housing field. This type of scheme has particular relevance for charitable organizations or churches, since in many instances land is available, owned by these organizations or churches, in effective locations.

(c) We feel strongly that Canada must take seriously the enormous influence of land costs on the costs of shelter.

In their excellent brief to your Committee, the Social Planning and Research Council of Hamilton and District, (at paragraphs 3.84, 3.85) argued that “since the cost of land is such a large part of the cost of housing, and since land costs have been rising so markedly” we must consider the common European practice of the municipal (governmental) ownership of land. We would strongly support new initiatives and experiments in this direction, even as we would affirm that land-tax policies (as part of the total network of taxation) should be re-examined to see what they might contribute to more rational use of existing serviced land and the avoidance of gross inflation of land values through speculative holdings.

Walter Stewart (writing in MacLean's Magazine, February 1970) has shown very effectively how even a public program to ease the problems of home ownership can have the effect of boosting land costs, even though it can probably be argued that without HOME intervention the land costs would have been much greater still. (4,602 lots at \$4.00 per lot; 18 to the acre on land that originally sold for \$1,100 per acre. Assuming \$20,000 per acre for servicing costs, the author projects gains of some \$50,000 per acre—see pages 23ff.)

Obviously, public intervention (as in Saskatoon) at the level of land acquisition and servicing can work to ease the cost of housing. Moreover, such intervention can also serve to guide the development of Canadian communities—counteracting “sprawl”; providing for natural amenities; linking such development with other networks and systems of schools, roads, transportation.

Up to this point we have concentrated on matters of income, provision of shelter and access to economic and human opportunities as these matters are fundamental to a truly comprehensive, co-ordinated and effective attack on poverty and to emphasize this statement we quote from the Report of the Economic Council of Canada:

"In absolute dollar terms—the difference in amounts spent—the poor are most deprived of sufficient food, clothing, shelter and transportation. However, viewing the expenditures of the poor as a percentage of the expenditures of the nonpoor, those living in poverty are most deprived, in a relative sense, of transportation, of recreation, of furnishings and equipment, of reading material, of medical care, of personal care, of clothing and of items to complement the formal education system.

One of the most important consequences of poverty is that it affects the ability of the poor to invest in themselves and thereby to lead more productive lives . . . (This) is likely to have particularly serious consequences on young children whose potential abilities are largely shaped in the years of early childhood . . . Even the possibility of significant child nutrition problems, seemingly so improbable in this country, must be taken seriously".

7. POLICIES THAT AFFIRM PERSONS

(i) *Justice for the Poor.* The Honourable John Turner said: "It is the poor who suffer most from society masked in the trappings of the law. For it is they who are victimized when urban renewal arbitrarily disrupts a neighborhood; it is the poor who are hurt when creditors garnishee wages or repossess furniture; it is the poor who are deprived when welfare agencies deny, reduce or terminate, welfare benefits on vague, unarticulated or clearly illegal grounds; it is the poor who are penalized when . . . landlords . . . withhold repairs or capriciously evict them into the street; it is the poor who are hit by bail procedures linked to financial means; it is the poor whose privacy is invaded and whose dignity is denied". . . . "Too often the poor see the law not as a friend but as an enemy, not as an aid but as an adversary, not as a remedy but as an obstacle".

We support the efforts of the Canadian Civil Liberties Association to secure "due process" for welfare recipients when they deal with "the system". We urge prompt action in all Canadian jurisdictions to reform the law and regulations in respect of Landlord and Tenant; Expropriation Law; and Family Law. We are delighted to note the way in which law students and faculty have begun to offer legal aid services, especially in the 'preventive-advisory' field. We urge that all appropriate steps be taken to stop the demeaning of the poor through unnecessary questioning and invasions of privacy. We urge that most

effective ways be found to inform program recipients of their rights, details as to levels of aid, and appeal procedures.

(ii) *Family Planning*—The repeal of provisions of the Criminal Code making it an offence to sell or distribute information about birth control or contraceptive materials, has resulted in little government action to offer such services to Canadian citizens.

We endorse the submissions of the Family Planning Association and the Vanier Institute touching on this matter. Terrible damage is being done to individuals and families because information and counselling services are not generally available. We are aware of the convictions of some regarding permissible forms of family planning. We respect such views even though we cannot concur with them.

We suggest that the Government in certain of its own programs and through support granted to independent agencies, make real "options" known and available to Canadians. Every Canadian should be helped to feel adequate and realizing his or her full potential, be able to make an adequate contribution to society.

(iii) *Nursing Home Care*—older persons, and sometimes their children, often face bankrupting costs and hopelessness because nursing home service does not fall within the framework of allowable health care costs.

Other forms of care and treatment are also excluded.

We suggest that ways be found to bring as much as possible of such costs within the health insurance program.

(iv) *Community 'Supportive' Services*—We support others in the belief that the various levels of government ought to encourage experimentation in programs and delivery of services and that Family agencies, Homemakers services, Hospital outpatient departments, church agencies and others should be encouraged to develop new networks of service, seize new opportunities to be supportive of persons and families in their neighborhoods; assume "advocacy" roles on behalf of the poor.

Many agencies and institutions need to be realigned. Combinations of public and private funding may result in more diversified, "open" services, less bureaucratic and closer to the people . . . for example:

—the Day Care and Clinic services that can be operated out of homes for the aged for the benefit of

a much wider community than the community of the institution itself;

- the meals programs or drop-in centre programs which improve the eating patterns of older persons through providing the nourishment of companionship;

- Day Care programs and Head Start Nursery services that can be rendered in homes, neighborhood and school, and might thereby release the potential of thousands of youngsters;

- Home Counsellor services related to Day Care Service, bringing parents new understanding of their role in awakening the potential of their children and beyond such services there are the Citizen's Organizations themselves. The encouragement of support of such indigenous action groups is most important and we must keep in mind youth centres where youth-planned activities, along with counselling and recreational activities are available to children 12 years of age and over level.

The process of becoming visible, vocal, asking for a piece of the services, asking for actions that are their due—such group activity has a real and positive role to play in breaking the helplessness and dehumanizing effects of poverty.

Combatting Poverty

For almost a year now representatives from all four of our Atlantic Provinces have been meeting to discuss ways and means to combat poverty in our provinces and perhaps come up with ideas to not only eradicate poverty in our own provinces but perhaps provide a formula which would be helpful to Canada as a whole. As a result of our deliberations a joint brief has been prepared for presentation to the National Minister of Health and Welfare in the hope that the Atlantic Region may secure much-needed additional help from federal sources so as to enable us to do a better job in clearing our region of poverty and at this point in our presentation we are happy to include a considerable amount of the subject matter from that joint brief . . .

In recent years, expenditures on Welfare and Welfare Services have increased rapidly and there is every indication that this escalation will continue. It is difficult to see how in the next few years we here in Prince Edward Island can continue to provide welfare services comparable to those available in the rest of the country, without additional federal assistance to that now being received.

The Second Annual Review of the Economic Council of Canada (page 136) has summarized the

factors underlying the problem within the Atlantic Provinces and as the Council points out we have a lower proportion of our population engaged in productive activity. Throughout the Atlantic Provinces a smaller proportion of the total population is in the working age group of 15–65 years and we also have a lower rate of participation in the labour force along with a rate of unemployment consistently higher than in other regions in Canada and with much more severe seasonal fluctuations. In addition to this, experience has shown that the anti-inflationary policies of the Federal Government will result in an even greater increase in unemployment in Prince Edward Island and throughout the other Atlantic Provinces, as well.

These factors have caused a larger proportion of our population throughout all Atlantic Provinces to depend on welfare programmes.

Personal income, wages and salaries show that even those who are employed do not do as well financially as those in other parts of Canada. Generally this is a reflection of the educational level of the population with the higher proportion living in rural areas. At the same time the rate of capital investment and public expenditures on growth-related services needed to raise income levels has been much lower than for the rest of Canada.

The persistent nature of the problem of economic depression in the Atlantic Provinces is expanded upon further in detailed studies prepared by the Economic Council of Canada. The statistics in these studies give an indication of the area's greater need for "catch up" expenditures, at a time when provincial government expenditures on, what the Economic Council calls "growth-related functions", are lagging behind. Recent studies have shown that programs designed to improve the physical resource base have not made any significant impact on the problem. It is now generally accepted that much more comprehensive programs involving improvement of human as well as physical resources are needed. Programs that emphasize education, health, housing and labour mobility must be developed as part of a total coordinated program of labour force adjustment. The Comprehensive Rural Development Agreements now in effect in New Brunswick are an attempt to develop such an approach as is also the Prince Edward Island Comprehensive Development Plan.

Provincial expenditures are limited by their tax base and consequently those areas with the greatest need for social services have the choice of increasing the burden of taxation or spending less per capita than the

more affluent provinces. In fact, the Atlantic Provinces have spent less as shown by the Economic Council's Report and the tax burden tends to be greater. This is clearly a very inequitable position. To improve this situation, it is necessary to remove the constraint on the provincial tax base by means of grants from the Federal Government. This is only partially achieved under the cost-sharing and equalization grants. These grants should be such as to make it possible to spend an equal amount per capita in each of the provinces throughout Canada. There is little need to emphasize that this point has yet to be reached. At the same time it is necessary to recognize that low income areas create a greater need per capita than the national average. Therefore, a second step in improving equity must be to increase per capita spending in the poorer areas of our country with the aim of creating an equal standard of service in the face of greater demand on the social and welfare services. Frequently we find that these depressed areas have higher costs of providing such services attributable, for example, to their smaller and more dispersed communities, higher salaries necessary to attract qualified staff to these areas. This, in turn, creates an additional requirement in allocating expenditures to the depressed areas in order to compensate for the higher costs of providing such service. Consequently, we feel that a strong case can be made for improving the standard of service in poorer areas above the level of the rest of the country. We feel that present Federal Cost Sharing Formulas do not take into account these greater requirements in the Atlantic region.

In short, we think that present Federal assistance programs for the Atlantic Provinces are lacking in three important respects:

(a) Insufficient assistance has been provided for major human resource development programs which are the responsibility of the province. Although assistance is received from the Federal Government through shared cost programs and equalization grants, with the exception of medical care, this type of assistance does not take into account the higher per capita need in the Atlantic Provinces and the lower tax capacity available to meet that need. In addition, Federal programs such as housing and manpower do not appear to be reaching the persons with the greatest need. Programs for development of human resources must have a high priority in any attempt to eliminate poverty.

(b) The Federal Assistance Programs have not recognized the special and important role of an income maintenance program in any attempt to

combat poverty. While the Canada Assistance Plan has contributed much to this area, the sharp increase in costs has put a heavy drain on provincial budgets and made it difficult to develop effective preventive and rehabilitative services. With the implementation of the Canada Assistance Plan, the provinces are being put in a position where they must spend a greatly increased amount of money on welfare programs. In fact, the adoption of the Canada Assistance Program is forcing us to "catch up" and we do not have the money. Therefore, we must look at the possibility of reductions in other government programs and/or welfare programs. Reduction in welfare programs can only be accomplished by severely limiting the definition of need. Our present needs test results in a payment which is no higher than that for the rest of the country. Yet one study has shown that, with the exception of British Columbia, living costs are higher in the Atlantic area.

(c) Present federal programs have tended to single out particular areas of the Atlantic Region for special assistance, when in fact the problems and therefore, the need for special assistance, are region-wide.

As the result of a long history of chronic dependency, we in the Atlantic Provinces have large numbers of persons who are hard-core welfare cases. Consequently massive programs of rehabilitation, community development and prevention are required to ensure that whole communities do not go on welfare and stay there for long periods of time. We recognize that anything done in this area is not going to reap benefits for a number of years, but we feel that we must get started. The program envisioned would be designed to ensure that all persons in the Atlantic Provinces are able to take advantage of improved educational opportunities, both for themselves and their children; that housing is improved, and that conditions which contribute to poor health do not continue to be a factor in limiting ability to benefit from educational and employment opportunities. We view such a program as a necessary compliment to and in fact an integral part of any successful program of industrial development. Future programs, we contend, must aim to improve "the sour atmosphere of poor health and bad housing—the accumulated defeat, alienation, and despair which often so tragically are inherited by the next and succeeding generations."

In order that such a program may be launched we believe that:

1. A Comprehensive Development Plan should be established for the whole Atlantic region. This

program would be similar to the Comprehensive Rural Development Plan for Northeast New Brunswick, Province of Prince Edward Island or the Gaspé and the Lower St. Lawrence Region. In fact, if we were to follow the recommendation of the Economic Council of Canada, this program would be as far reaching as that carried on in the Appalachian Region of the United States. Of utmost importance in the development of such a program for the Atlantic Region will be the modernization of our primary industry and the introduction of diversified secondary industry. Equally important will be the recognition of the special need for additional expenditures in the related areas of health, housing, education and welfare.

2. We believe the programs should be administered by the provincial governments involved to ensure maximum effectiveness, integration and coordination and to foster optimum local participation.

3. We believe that it is virtually impossible for the Provincial Governments in the Atlantic area to expend the required amounts of money in the health, education, housing and welfare programs under the present sharing formulae and tax agreements with the Federal Government.

RECOMMENDATIONS

Until such comprehensive plans are developed and until new tax sharing formulae are arrived at which better recognize the special needs of the Atlantic provinces, we recommend that:

1. There be increased sharing of the costs of the Canada Assistance Plan in recognition of the greater need in the Atlantic Region and the lower tax capacity available to meet this need. In other words, the proposed formula should recognize the fact that the Atlantic Region suffers greatly because of regional disparity. Any such cost sharing formula must, of necessity, include the costs of work activity programs carried on in the Atlantic region.

2. This increased cost sharing formula should be related to such factors as proportionately higher unemployment rates and lower labour force participation rates in the Atlantic Region compared to the Canadian average.

CONCLUSION

If as a result of this presentation to Ottawa our Atlantic Provinces receive more financial sharing from the Federal Government each Province has committed itself to do certain things to help eliminate poverty and we are particularly pleased to state that if extra

monies are received here in our Province they will not be spent on anything other than welfare services. In fact, being specific, in an effort to cut down poverty we hope by tackling such causes already mentioned in this brief including alcoholism, use of drugs, etc., the Province of Prince Edward Island will be in position to make the following improvements in its programme:

1. Improvements in Financial Assistance Programs

a) Food allowance would be increased by \$5.00 for categories of assistance recipients under Section 16 (a) (b) (c) and (d) of the regulations. For fiscal year 1970-71, this would represent an increase of \$500,000 maximum for the total program.

b) Our public Assistance Division and our administrative staff generally are badly in need of upgrading and additional training. To accomplish this end we need to establish an in-service training program which will cost us at least \$15,000 for the present fiscal year.

2. Improvements in the Provision of Needed Social Services

a) The Child Welfare Division is in serious need of more and better qualified staff. At the present time, for example, we have seven (7) welfare workers supervising five hundred (500) wards under the care and custody of the Director of Child Welfare. In the same manner the present allowances paid for maintenance of children in foster homes are totally inadequate. For example, the total maintenance allowance for a child in a foster home at the present time is \$60.000 a month. The shortcomings in such maintenance rates are making it almost impossible to obtain the calibre of foster homes our wards require. These two items would increase our Child welfare budget by an additional \$60,000 for the current fiscal year.

b) it is our intention to expand our present Work Activity Projects to provide an opportunity for more adequate incomes to persons presently receiving nominal amounts under our social assistance program. It is our hope that these projects will provide training opportunities for persons presently receiving social assistance who do not qualify for such training under the present Canada Manpower Training Program. While the initial costs of work activity Projects are higher than simply carrying such persons on assistance rolls, we would expect that participation in such projects will enable such persons to eventually become self-supporting or partially self-supporting by entering the employment field. In addition, the expansion of Work Activity Projects will enable those persons

involved to obtain more adequate incomes for themselves and their families during the training period. The estimated increase in cost with the expansion of Work activity Projects would be between \$100 — \$600 per year for each recipient. At the present time we plan to engage up to 100 recipients in such a program at a cost of \$112,000 for the current fiscal year.

In summary, then, these are a few of the things we feel would help us in our struggle against poverty here

in our Province and in the Atlantic Region as a whole. If we are to get anywhere in the struggle however, we must put thoughts into action, our action must be "all-out" in scope and we need the assistance of all Canadians as we are dealing with not simply a Provincial nor Regional problem but a National one—and in addition to physical and planning assistance we would suggest your Committee impress on Federal authorities our very marked need for increased financial assistance from them as well.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 41

THURSDAY, MAY 14, 1970

WITNESSES:

The Old Brewery Mission, Inc.: Rev. J. W. McCarthy, Executive Secretary;
Mr. James Dorrien, Mr. Charles Robson; Mr. Jean-Marie Pilote;
Mr. Neil McGowan; Mr. Gordon Clayson.

APPENDIX:

"A"—Brief submitted by The Old Brewery Mission, Inc.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche,</i> <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Mada-waska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, May 14, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, MacDonald (*Queens*), McGrand, Pearson, Quart and Sparrow. (12)

In attendance: Mr. Frederick J. Joyce, Director; Mr. Richard Lord, Community Liaison Officer.

The following witnesses were heard:

The Old Brewery Mission, Inc.:

Rev. J. W. McCarthy, Executive Secretary;
Mr. James Dorrien;
Mr. Charles Robson;
Mr. Jean-Marie Pilote;
Mr. Neil McGowan;
Mr. Gordon Clayson.

(Biographical notes concerning the above witnesses immediately follow these Minutes.)

The brief prepared and presented by The Old Brewery Mission, Inc., was ordered to be printed as appendices "A" to these proceedings.

At 11.45 a.m. the Committee adjourned until Thursday, May 21, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

BIOGRAPHICAL NOTES

Rev. J. W. McCarthy (Bill): Born Montreal, 25 July, 1931. Age 38. Educated in the Montreal Protestant School system, Sir George Williams College and McGill University. Graduated Montreal Diocesan Theological College with a L.Th. Was employed by the Canadian National Railway for six years as a clerk and brakeman. Served in Canadian Army Special Force 1950-52 (Korea). Was ordained priest in 1960 in the Diocese of Montreal. Served as Parish Priest in the suburban Parish of Roxboro for three years. Was a Penitentiary Chaplain at Leclerc Institute for three years and Superintendent and Executive Secretary of The Old Brewery Mission Inc. since 1963. Also was a volunteer fireman, police chaplain and Reserve Army Chaplain. Married and one son.

Charles Robson: Born in Montreal, Sept. 9, 1912. Age 57. Trade—Spray painter—unemployed in trade since 1965. Claims production demands were too great and he had bad lungs or a severe cough. He also got involved in serious drinking. Charlie has a grade seven education; became a spray painter in 1929. He joined the Canadian Army in 1942 and served overseas with the 6th Light A. A. of the R.C.A., 2nd Corps. In 1943 his wife left him and his three sons were placed in the Weredale Home in Montreal. The boys are married and things are working out very well for them. Charles receives a 5% disability pension from the D.V.A., totalling \$13.25 and presently that is his only source of income. He claims he is not sick enough to get the War Veterans allowance, but he is physically incapable of even washing dishes, so he exists at the Mission.

Basically he has multi problems, but they centre around Alcoholism. Reasons for it are: (1) Painters were prone to this because of an old belief it was the only way to counteract lead poisoning from the paint fumes, plus in the old days, Pay Day was cash on the line in the office, which was the tavern. (2) Wife problems—drink and forget. (3) It's too late to change now. (4) No alcoholism treatment centre for poor English speaking people in Montreal.

Gordon Clayson: Born in Montreal, Nov. 7th, 1928. Age 41. Grade six education. Worked as waiter and bar man and race tracks. Came to the Mission January 1967 for a few days; has been on the street ever since. Constantly in a state of confusion—was released from the Ontario Mental Hospital, Port Arthur, and feels safe in Quebec. An honest man, beaten by life, needs serious psychiatric care and hospitalization, but can tell how rough it is at the Mission, how terrible it is to exist. While he may be sick, his story about skid row is true and the fact of poor rations at the Mission is a story we would argue with, but then again we are not starving like they are. Whether he will appear or not is questionable.

Neil McGowan: Born Montreal, April 8, 1915. Age 55. Grade five education. Worked for C.P.R. twenty-eight years, pensioned sick benefit: has Parkinson's disease—sent to Mission by Montreal Neurological Institute. Unable to live alone—needs friends—suffers from loneliness—seems happy to be wanted. Strong as a bull—real nice guy. Worst thing that happened to him was the death of his mother. Sees a lot that happens in the Mission—doesn't say much. We have told him it is essential that you people know what is going on in the Mission society and that since he is a permanent resident he would know better than anyone. Probably a company man, but one of many cripples we care for.

James Dorrien: Born Belfast, Ireland, March 25, 1926. Age 44. Mechanic. Married—2 girls living in Belfast. Claims to have served as an administrator in the Arctic and had a nervous breakdown. Was hospitalized at the Montreal General Hospital and came to us through the Montreal Council of Social Agencies. We found him to be very talented and reliable until his dependence on pills became an addiction and when these ran out he went to alcohol. His tolerance level is low and he could be a chronic alcoholic. His behaviour pattern is that he goes from one mission to the other and usually lasts anywhere from 30 to 90 days before he is barred. He has attempted suicide more than once and has been in the Douglas Hospital a few times. His main problem is environment and if he could move up, he could win again. If he remains on Skid Row too long, he will be permanently damaged. We have a search party out for him.

Jean Marie Pilote: Born Nov. 22nd, 1923. Aged 46. Unmarried. Education: 6 years. Two years in the Canadian Army (1944-46) with the Royal 22nd Regiment. Visited the Old Brewery Mission for the first time in March 1966. Is a construction labourer who has worked for companies like "Blue Collar" on their trucks as a labourer over three years in Montreal. He came to the big city to find a better life. His problems are:

1. Education; 2. Rural living habits; 3. Lack of work; 4. Alcoholism; 5. Lack of financial assistance; 6. Lack of Social Welfare Services.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Thursday, May 14, 1970

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: We have a brief this morning from the Old Brewery Mission of Montreal to be made by The Reverend J. W. McCarthy. As you will see from his curriculum vitae, he is a very distinguished and hard working clergyman who is doing work in an area which needs a great deal of attention. I will ask him to speak for himself.

Rev. J. W. McCarthy, Executive Secretary The Old Brewery Mission Inc. Montreal: Ladies and gentlemen, it is a great privilege to be here today. We thought we would bring a little army with us, an army of wanderers, of people who have quite a few problems, each of whom will represent actually one of the situations that are spoken about in the brief.

During the course of the year we have approximately 3,500 different men who come into our mission. They come for all sorts of things, but basically for food and lodging, and they are pretty tired after a day's wandering around the streets; they are poor and hungry or starving. Often whatever they have on their back is all that they own. In fact, you may see them with small shopping bags, and that is the sum total of a life of existence in our community.

Everybody tends to think in terms of a mission such as ours as one where we have nobody but, as the term goes, "rubby-dubs," who are chronic alcoholics, who have fallen to the level of drinking anything that they can possibly drink without any fear whatsoever of what it may do to their system, because at this stage they do not care. Well, that is about ten per cent of the men that we have coming to the mission during the course of the year, those who are real chronic alcoholics. Among the other group of individuals who come, basically the most seri-

ous problem group that we have to deal with are people who are very seriously mentally ill.

As we mention in the brief, in detailing the various types of individuals and what happens to them, as long as they are passive, as long as they do not commit any criminal offence—or as long as they do not get caught at it, they are allowed to wander the streets. We know one fellow in particular who is a war veteran and who still has a plate in his head. He often gets arrested, but the police let him go immediately because they know that the D.V.A. will "spring" him and there would be all kinds of problems with him, so they let him go and he comes knocking on the door of the mission again. Obviously he should be in an institution, but who wants to blow the whistle on people who should be in institutions? We do not really feel that it is our job to call the police and to go to Court, and it is a tremendously humiliating experience. You say: "O.K., I am Joe Blow, a citizen, and I am doing a citizen's job." I have found that people have broken windows in the mission. Now, sometimes we kind of provoke them because they get so hostile and involved, and one fellow actually hit me on the head with a piece of wood. I took him to court but only to get him treatment, because we could not get him treatment any other way, and after the fellow started hollering the judge said: "Refer him for psychiatric analysis or assessment". We have never seen him since, so he is probably sitting in one of the local hoosegows awaiting treatment.

As I mentioned earlier, there are 35 per cent of our people who, we feel, are in this category. There are a lot with various types of mental illness, stemming right down to mental retardation. What did we do with the children who were mentally retarded 30 years ago? We did not have all of the resources that we have today. We find these men homeless, hostile, introverts and yet very passive and docile—until you threaten their existence. We have them down with us because nobody else wants them. As I mentioned earlier, they have nothing to do with

alcoholism whatsoever. These are people who are very seriously ill, who have been deprived of the gifts that the ordinary person has, and who have suffered and existed for many years.

The other group which we all know quite a bit about is the alcoholics. It is shocking that in our province anyway there is very little treatment, and almost no treatment whatsoever for non French-speaking alcoholics. Later on in the recommendations, if someone would question the recommendations, you will see that the D.V.A. hospitals are requested to become involved in this, because the government has seen fit to state that an alcoholic who is or was a veteran is suffering from a self-inflicted wound and there is no treatment. You teach a man how to use dynamite, you teach him to use some of the most complicated equipment in the world, you teach him how to put his life on the line; then when he cracks up and gets drunk, and becomes addicted to alcohol, you say he has inflicted that upon himself. Psychologically, you have damaged that man beyond repair.

We have had one fellow in the mission for the last couple of years who was a pioneer corporal in my regiment overseas and he was a dynamite expert. Now he is a complete alcoholic with no possibility of treatment through D.V.A., because it is not authorized. Under the table they do some work, quite a bit of work actually, but officially they are not supposed to.

The problem of alcoholism has been swept under the carpet recently by the increased recognition of what drugs are doing to young people. It is giving a real impetus to the work on the treatment of drug addiction, but leads to the retardation of any work in the field of alcoholism in Quebec, and that is a fact. I have sat on committees trying to get something organized, and we find that any time we get up to a level where we are going to receive some involvement, we find other groups from the drug side of the field have over-shadowed and overpowered us because, "After all, these are young people"

I am prejudiced, I am sure, but I feel we are very concerned about young people provided they come from the right side of the tracks. In a few years, we, in The Old Brewery Mission, will be experiencing the damaged young people who come from the other side of the tracks for whom no treatment resources will really be available, whose involvement pretty well dictates that once

they are on it they will never be off it, and that they will be damned as criminals and will be sent up. They will not have the legal representation that other people can have, and it will not be too long before they will be completely addicted. Then eventually the brain will be damaged and we shall find that their families will even reject them and we will have them with us.

You also notice in the brief that we spoke about the transients. There are still a lot of people with wanderlust, still a lot of people who cannot take pressure, particularly when they move from area to area. You will see it in the statistics, and statistics perhaps do not mean too much to you, but if you happen to come from a certain province I am sure you would put your finger on it and say, "Well, there are only one or two from our province who have ever stayed at the mission", but one or two represents two percent of 3,500. We find quite a few Maritimers who are passing through Montreal and who never really make it. Their one goal is to get to Ontario or Toronto, where there is an English environment and they can find work; whereas if they try to find a job as a labourer in Montreal they have multiple problems, firstly, because they do not speak French and, secondly, because the majority of the labour force in Montreal is made up of immigrant people who are not afraid to work for a smaller rate of wage than other people. The average Maritimer is trying to push through Montreal, but he finds that if he just has one drink, in Montreal he has no more money. So he is hung over for two weeks or a month, or maybe even three months, before he can move on to other provinces to meet with friends of his who have made it in the other provinces. These represent possibly about five per cent of the people who come through the mission during the course of a year.

Then there are, and we cannot ever deny the fact that there are unemployables. There are people who are unemployable through perhaps brain damage, perhaps through straight laziness, perhaps through a twisted mentality that has developed in them for many years. That is our role, we consider, to take care of these people.

We feel that if other organizations, if other groups, if governments could be aware of the needs of the people who come to us, that they can siphon off the cream, the people who are redeemable, that can receive treatment and can move onwards and upwards. If we save a

thousand a year across Canada, that is a thousand more than we saved this year, and a thousand people added to the economy is just as good as a thousand immigrants with no investment. There is no prejudice nor slur meant there at all. I am just saying this is a fact. When you get the opportunity to speak to some of our people in a few moments, you will find that all I say is true. We do have potential and we do have hope, and I feel that people should seriously take a look at the situation.

I go to church very early Sunday morning and I take a mass for sisters in Montreal at 7.00 o'clock in the morning. After mass I drive around the city and I see my friends by the hundreds. I suggest to you sometime that when you are in the city, or even here in Ottawa where there are a lot of our "graduates", you will see them on Sunday morning pounding the sidewalk, looking for something. Now, that something may be a butt, that something may be a bottle that he can get two cents for, that something may be a newspaper that will give him something to do during the daytime; but because of our discipline we do not really recognize this. I do because of the work I do, but I am sure you do not recognize it.

When the Olympics come to Montreal in a few years nobody will be allowed in the public parks for two months beforehand, because they will clean them up, and our boys will spend three months in jail. This is why our prison percentage is pretty high. The city decides, "We don't need that kind of people around here," and they can testify. During Expo I think the minimum was 60 or 90 days that was given to people who were found in parks just prior to the opening of Expo. If the city were to spend half the money they spend on arresting people and processing them through the courts on doing something constructive and positive, even just providing medical treatment, we would find we would be doing something with people that had never been done before. I think I have over-stated...

The Chairman: No, no. Can we identify these various people? What is your name?

Mr. James Dorrien: Jimmie Dorrien.

The Chairman: Who is the next one?

Mr. Charles Robson: Charles Robson.

The Chairman: Your name?

Mr. Jean Marie Pilote: Jean Marie Pilote.

Mr. Neil McGowan: Neil McGowan.

The Chairman: We have a short history here that the Reverend McCarthy gave us about each one of you. Now, you have a right to privacy which is your right. It is up to you whether we put this in as part of our record and use your name. You must say "yes" or "no", and do not hesitate. If you do not want it, we are not going to use it.

Mr. Dorrien: I know my rights.

The Chairman: You know your rights, and are you satisfied?

Mr. Dorrien: Yes.

Mr. Robson: I am satisfied.

The Chairman: You are, all right.

Reverend McCarthy: I might say we offered them the opportunity of using a pseudonym and they all rejected it.

The Chairman: Then we are clear about that.

Senator Quart: I don't know if my question should be asked now, but it refers to the statement which the Reverend McCarthy made about the D.V.A. When applying to the D.V.A., have you been refused any assistance or treatment for this man with the steel plate? I would be very interested because I know intimately the ones who are in charge of D.V.A. in Montreal. I would like to know: have you applied and were you refused?

Reverend McCarthy: They take him away for two or three months, and he progresses to the state where he convinces them that he can function and does things the right way, so they say, "OK., go." They even administer his money weekly because he cannot handle his money, it is impossible for him to handle it, so they give it to him once a week. He is forever in and out of courts. He is a tremendously polite person, but he just has very serious problems of mechanism. If he has one drink he cannot walk; he is really rubber-kneed just on one drink. His tolerance level is such, probably from the dosage of medication that he is given, that after one glass of beer he is just uncontrollable.

Senator Quart: After the meeting, if you would give me his name, I will see what I can do.

Senator Hastings: Mr. Chairman, first of all I would like to thank the witnesses for appearing here to-day. As the saying goes, you have to walk the walk to be able to talk the talk. No doubt you have walked the walk, and I hope you talk the talk to us and try to help us—and tell us to go to hell if we ask you the wrong question.

Mr. Dorrien: I will guarantee.

Senator Hastings: We are here to try and find out. I think we know the problem, I think we have all seen the problem wherever we went, and we are trying to find the answers. Personally, I saw it while spending an afternoon on skid row in Vancouver, and I know something of what you are talking about. We are trying to find the answer.

Mr. Dorrien: You just spent an afternoon. I spent quite a few years on it.

Senator Hastings: You know more about it than I do, and I hope you will tell us.

Mr. Dorrien: Yes, I will.

Senator Hastings: As my first question, Mr. McCarthy, I would like to ask, since you indicate the cost of operating your mission, where are you funded, how are you funded?

Reverend McCarthy: We have a public subscription campaign just around Christmas time, in fact at the end of November. We have about 10,000 subscribers at the mission, and we solicit new members each year, as it were, and we basically get all of our funds for operation from that campaign.

Senator Hastings: A public appeal.

Reverend McCarthy: That is right.

Senator Hastings: You are not accredited to the United Fund or a government agency?

Reverend McCarthy: No.

The Chairman: How old is the mission?

Reverend McCarthy: The mission is 90 years old.

Senator Hastings: I notice you have a very distinguished board of directors. How does

one become a member of the board of directors?

The Chairman: \$10,000 any one year!

Reverend McCarthy: The fact that the board is distinguished looks lovely on paper, but these people have contributed fantastically to the work of the mission in the setting of policy. You obviously know some of these people, and they have really been the backbone of the mission for many years. They have supported it, they have gone out and hustled money. We were expropriated a few years ago for a new highway, which has not been built, and they gave us \$150,000 for the building. It cost us close to \$500,000 to move, but the board went out, really went after it and got the money.

Senator Hastings: In other words, the board of directors set the policy and you administer it, do you?

Reverend McCarthy: That is right.

Senator Hastings: How often do they meet?

Reverend McCarthy: Approximately once a month.

Senator Hastings: Where do they meet?

Reverend McCarthy: At the mission. They have lunch at the mission, and we go downstairs for the meeting afterwards.

Senator Hastings: Do any of the board do any other work for the mission except the meeting?

Reverend McCarthy: We also have our own summer camp, and there is a camp committee in which they are very involved. They visit the camp regularly and are involved in it; but to be involved in program, no.

Senator Hastings: They do not involve themselves in the day-to-day operation of the mission?

Reverend McCarthy: Well, they are there.

Senator Hastings: They are there?

Reverend McCarthy: Well, our president drops in at least once a week and calls me probably three times a week. That is involvement, I think.

Senator Hastings: And the other members, do they drop in?

Reverend McCarthy: Yes.

Senator Hastings: And stay and work with these men?

Reverend McCarthy: I wouldn't say that, but they ask my opinion on what is happening. We are in a different milieu than where we were before, and the situation is more difficult. There is more muscle on the main street than there was where we were before. I confide in them and they give me support, but to go out and put their arm around Jimmie, no.

Senator Hastings: The point has been made two or three times in our meetings that the upper income group are happy to pay the bill and so forth, but that is the end of it; they leave the actual work...

Reverend McCarthy: I can honestly say that our board of directors means more than dollars and cents to us. They are a really spiritually involved group, and I do not mean that in the religious context; I mean they are morally involved in the work of the mission and they are really concerned about the situation. I would not say otherwise if I didn't believe it.

Senator Hastings: If I could turn to alcoholism, I certainly share with you your concern over the increase in alcoholism and the cause of it, and that everywhere we look at poverty we find this alcoholism. I am going to ask you, would you say alcoholism is the cause of or a symptom of poverty?

Reverend McCarthy: Alcoholism amongst the poor people is, you are saying?

Senator Hastings: Where you find poverty you find alcoholism, as you find it in 35 per cent.

Reverend McCarthy: But you find it everywhere else too.

Senator Hastings: But of your 35 per cent, did alcoholism cause them to be there, or is it a symptom of their condition?

Reverend McCarthy: It is two or three things. Alcoholism perhaps holds the neurotic solution to their neurotic problem. They do not recognize their problem and they run away from it with alcohol. In a lot of instances this has been part and parcel of their milieu. Their fathers were drinkers, and

usually the son of an alcoholic is alcoholic himself. It is handed down, but it is not necessarily because it is handed through the genes; it is something which they inherit as a way of life, it is a part of growing up. If you are in a poverty area, as soon as you can make it to the tavern you have got it made whether you are 18 or 20. That is part of it, but I would not say alcoholism is a cause of poverty. It certainly helps it along beautifully, but it is not a direct cause of poverty.

Senator Hastings: On page 4, dealing with the treatment of alcoholism, you practically write off the A.A. program because you say it is designed to the middle class. On what do you base that?

Reverend McCarthy: A.A. started in a mission environment; it started on skid row with people who were at the bottom, and these people found within themselves the strength to help themselves and get up. I am not saying the world over, but I am saying that in Montreal in the English-speaking A.A. they have become a very polished group. We have two A.A. groups that meet in our mission regularly. The French one meets Saturday after Saturday 52 weeks a year. As for the English one, if we can get 20 meetings we are lucky. They do not get the involvement down there.

A.A. is a tremendous program, and that is why I like it, because it has redeemed hundreds of thousands of people who never had the opportunity to be redeemed before. I think they are close to the million mark to-day in members. They have something, but it seems that as they grow they want to forget, and they too are sliding into the syndrome of forgetting what happened.

The Chairman: What happened?

Reverend McCarthy: Right.

The Chairman: You say it, not I.

Reverend McCarthy: Pierre Berton says it very well.

Senator Hastings: I question your conclusion but I will accept it. As you say, it started on skid row, and from what I understand A.A. will go anywhere to help, but there has to be a motivation and perhaps this is what is lacking in the men with whom you are dealing. In the case of the middle class there is more motivation; you have got more men to work with. When a man has reached your

level, he has lost all motivation and liquor is his outlet, as you have said.

Reverend McCarthy: If you remember in the brief, they picked the fellow up who attempted suicide, and they pumped him for what? That is what I am saying, that you can have all the motivation in the world, but if someone is saying: "You do not go any further than there, man", that is it—you don't get any help.

When you hit the sidewalk from the mission in the morning, you hit the sidewalk and you are alone. What is good about A.A. is that there is somebody with you that can help you. I am saying that A.A. can be good, but even A.A. has got to the point of saying: "Let us not get too involved, because we may tumble again", and that is a very serious problem with them too. They can remind them very vividly and perhaps send that poor soul out on a drunk again. I am not criticizing them overly.

Senator Hastings: I am well aware of their problem. On page 4 you say you will force him to compete; on page 6 that you will try to make him exercise his powers. Do you think you can rehabilitate an alcoholic by making him, forcing or coercing him?

Reverend McCarthy: Well, a few years ago we had a survey at the mission, and we got all excited about what we could do for rehabilitation. All of a sudden, we realized that every fellow that came in the door would be saying: "Look, I want some clothing, and I want the same kind of clothing as he got, because I am entitled to it". I begin to get the feeling that the Statue of Liberty phrase of "Send me everything", and "Everybody is equal", just does not work in society.

The Chairman: Bill of Rights.

Reverend McCarthy: Well, Bill of Rights, it just doesn't work; that in order to do something you have got to compete. The minute you walk out of that door again, you are competing with somebody, and in order to get something you must compete, you must be involved.

We have established a threefold type of program where, first of all, if you don't care, that is our job; look, that is our charter, take care of people like this. However, if the government does want to do something, then move him up a notch and give him a few

privileges, give him a few things extra. O.K., that is coercion. So what?

Thirdly, if he gets on his feet, then we should be able to do more for him, and we should be able to obtain assistance; we should be able to be involved in some rehabilitation type of process where he rehabilitates himself because he walks alone tomorrow morning.

Senator Hastings: He has to have the motivation.

Reverend McCarthy: Certainly, but he shows it in his first stage, and if he does not show it in his first stage then finally he starts looking at the thing again and says, "Man, I don't want any more of this. I want to be up here." So we set aside another floor where he can find these things, and it is progress, I think.

Senator Fournier: I would like to ask Reverend McCarthy how long you have been in charge of this mission.

Reverend McCarthy: I have been the superintendent since 1963. When I was in college I sued to take services twice a week, and I felt that it was more that could be done than that, but generally about 15 years I have been involved.

Senator Fournier: That is good. I think I read somewhere that you have four missions. This is not for Montreal and district only. Where are the other three?

Reverend McCarthy: The Salvation Army has one in Montreal. The Welcome Hall Mission has a small one.

Mr. Dorrien: A new one at St. André on Dorchester Street has just been opened by a priest, whereby men go in there and all they have is a bed and that is it. That has just started.

Mr. Robson: About 35 men.

Senator Fournier: Is there any communication between those four missions? Do you work together or separately?

Reverend McCarthy: We have tried to work together with two of them. The fourth one is just new. There is also the French groups that are trying to organize. They asked me to sit on the meetings and I have been involved in it. In fact, I am one of the directors of our "opposition" or whatever you want to call it.

We find we have not been able to have co-operation with the Salvation Army, but the Welcome Hall Mission we have co-operated with.

Senator Fournier: If any one of us wanted to visit your mission any day, would it be possible?

Reverend McCarthy: Absolutely.

Senator Fournier: On Clark Street. Is this for men only, or do you have women also?

Reverend McCarthy: We only have men staying at the mission, but we have a women's clothing department, women and children, which is basically for camp families. We have one or two women who come in regularly, and the best we can do for them is a hand-out from time to time, outfit them with clothing and perhaps pay their room for a week, but we do not have accommodation for women.

Senator Fournier: Would it be married women, women with children, or women of the street, I suppose—let us put it at that level—looking for a place to stay?

Reverend McCarthy: Burnt-out.

Senator Fournier: Do you have any helpers besides you from time to time?

Reverend McCarthy: In the mission we have an administration staff of about eight people, operation staff of about 15 people—about 25 people altogether.

Senator Fournier: Any doctors or nurses?

Reverend McCarthy: No. We have one doctor who helps us from time to time.

Senator Fournier: Do you have a number of young people?

Reverend McCarthy: Who help as volunteers?

Senator Fournier: No, as patients.

Reverend McCarthy: Yes.

Senator Fournier: Do you have many people? What would be the average age?

The Chairman: It is in the back here.

Reverend McCarthy: We have 16 per cent under 30, about three per cent under 22.

The Chairman: The age groups are on page 3.

Reverend McCarthy: We discourage people under 18. We may put them up for one night. I think there is a legal implication. We have never been involved in it, but if they are under 18 we manage to get them referred some place. In fact last year there were four young fellow from Ottawa came for supper. We called the police in Ottawa, and they had left home that morning and the families didn't even know that they were gone. With the young people we do not fool around; we get right involved. It is no place for them, no environment for them, and we try to discourage them from being involved there.

Senator Fournier: We have a different class of society that we call "hippies". Do you have many of those applying at your door?

Reverend McCarthy: No.

Senator Fournier: No hippies. Thank you, reverend. I will pass the questioning to somebody else but I may come back.

Senator Pearson: I want to ask a question about your summer camp. Just reading the brief, I feel that summer camp has quite an effect on the people. I am just wondering if summer camp could not be made a permanent year-round affair for a certain group of these people who might be advantaged by being in a camp away from the city altogether the year-round, so that they could gradually grow into some feeling of responsibility—the effect of having good food and such like, and the possibility of rehabilitation in that place. Do you think that could be worked out?

Reverend McCarthy: There are possibilities but not in our camp. The camp would have to be relocated. The idea might be worth while thinking about, but you are then involved in treatment, and what I have said throughout is that we have been involved in maintenance, which is somewhat evil in a way but it is a lesser evil. You do take people and you do do something with them, and then you have to put them back whence they came. What you are saying is: "Now that you have them there, keep them there and see if you can do something with them". For the people that come to our camp I would think that would be a very Utopian type of project.

Senator Pearson: Too high for your class of people altogether?

Mr. McCarthy: No, I wouldn't say that, in no way.

The Chairman: Haven't got the money.

Reverend McCarthy: I don't even believe that money is really the problem either, but I do feel that the type of community has to be where there is going to be feed-back into a community, so you cannot have it set aside, but it has got to be involved in it. It might just be involved in the outskirts, in a suburban area where they can feed in. It is an idea that has not been thought of, I am sure, but it is worth while thinking of.

Senator Pearson: Have any of you men been to an Alcoholics Anonymous group?

Mr. Dorrien: Yes.

Senator Pearson: How did you find it?

Mr. Dorrien: Well, as Reverend McCarthy says, they are getting a little polished now, and their tendency is that if a gentleman goes in with a hundred dollar suit on sort of style, my first association with A.A. was that I had a beautiful apartment in Rosemount in Montreal. I phoned A.A. He came up, he took a look around and he figured: "Well, this gentleman is worth while saving". He took me to hospital, and the first thing he said to me was, "Have you got a hundred dollars on you?" Fortunately I did have a hundred dollars on me, and I turned it over to him and he helped me then. Then I went to a couple of their meetings and I decided it was not for me; these are not "we" people. I tried it for a few times.

Senator Pearson: Isn't it possible to have another group together? You do not have to mix with that group; you can have an association of your own of "we" people as you call it.

Mr. Dorrien: Yes, I think most of these people are very selfish people.

Senator Pearson: You mean they are individuals like yourself.

Mr. Dorrien: Let us say a gentleman is trying to keep a sober head. He picks you up and he brings you to meetings here and there and everywhere else. Now, who is helping who? He is helping himself.

I found out in two or three cases—I have had two or three sponsors—that I was in the

same bracket as them. At that time I did hold down a very responsible job, and I found out that these people were concerned primarily in meeting but in themselves; and through me they were helping themselves, so I decided to start looking elsewhere and I couldn't find it.

Senator Fournier: What is wrong with that? He is helping you, you are helping him, and you are working together.

Mr. Dorrien: That is not the way I found it. I will give you an instance. I did feel I was going to slide or slip, so I phoned up my sponsor and his wife came on and she was crying. I said: "What is the matter?" She said: "My husband is not here. He was left with another woman."

The Chairman: That doesn't only happen to alcoholics.

Mr. Dorrien: No, I understand. She figured I should have kept her husband on the straight and narrow. He had been dry for approximately two and a half years. I was depending upon him at that particular time and he was not there. Now, this is a fancy outfit at one of the Knights of Columbus halls in Rosemount.

Let us put it this way, that I find that A.A. is not for me, so I had to seek guidance somewhere else.

Senator Pearson: My experience of A.A. is out in Saskatchewan, and the group in this town that I come from take all types from the very bottom up. One is a storekeeper-manager, owner of the store; one is a carpenter and such like, one is a truck driver. They have all done well as far as I can see, and they are all holding down responsible jobs now. Apparently liquor is not touching them at all. They may be an exception to the rule, I don't know.

Mr. Dorrien: No, it is possible in a small community like that, but in large cities we have got numerous groups. There may be a doctor, maybe some director of a company. He is not going to associate with me. I am just a common mechanic.

Senator Pearson: This is why I say why not form another group of people of "we" class as you call them, to help each other?

Mr. Dorrien: As Reverend McCarthy says, our English group that comes to the Old Brewery Mission, we can only get a few meetings a year, and this is what is happen-

ing. In a predominantly French-speaking community we run into problems like that.

Reverend McCarthy: I don't agree. It is a case of self-motivation: if you want the thing, you are going to get it.

Mr. Dorrien: Yes.

Reverend McCarthy: You don't need outside sponsors; you don't really want it. That is the long and short of it; whereas the French group has had quite a few success stories. Men are back on the street, in the course of a year there are two or three people. That is two or three more than you guys have been putting out.

Mr. Dorrien: Perhaps, yes, I would say that, Rev., but their meetings, they come in from a particular group, but ours are not. These people that do come to see us in English-speaking groups, some of these gentlemen are in very good positions and the association is not the same. I have been in quite a few of their meetings and I have found it this way.

As I say, a doctor is not going to deal with a common mechanic. This is what I find, and I find that Alcoholics Anonymous is not for me.

Senator Pearson: I can see your point there.

Mr. Dorrien: I am not kicking it, you know.

Senator Pearson: I can see your point quite easily, that it is pretty hard to mix the two.

Mr. Dorrien: Yes.

Senator Hastings: Jimmie, if A.A. is not for you, could you tell us what is for you?

Mr. Dorrien: Well, Reverend McCarthy has tried to help me on numerous occasions. I have worked in the mission, and I have held some responsible positions with the mission. You have got my background there, a rough sketch of it. I have tried. I go out and I say, "Well, this is not for me." I think back in the past, and I have earned in the past anything up to \$12,000 or \$15,000 a year as a mechanic. I have travelled all over North America and South America. I have worked for the Government of Canada in the Canadian north. I get \$20, \$30 a week, and I think back to what I had and then start getting lonely and I say to myself, "The only people that are real, the only people that I know are sitting

down at the Jordan Bar", and the first thing I know I take a drink and I am lost.

I think if given a chance—like myself I have sent men out on jobs from the mission. People phone in. Now, a gentleman goes out on a job. He does his day's work and he gets a dollar and a quarter an hour or something like that, and bus tickets. He tries, he comes out and buys himself a meal and a package of cigarettes. He has worked a whole day and he will wind up perhaps at the end of the day with \$6 in his pocket. Then the next day there is no job available and he hits the sidewalk. Perhaps it is cold, perhaps it is raining and there is nowhere to go, so he turns into the closest place, a tavern. "I'll only have two". Now, we are a closed group, us gang. We go in, we sit down, and we have six bucks in our pocket. Perhaps we meet a couple of our buddies and they have only got fifty cents. So the three of us sit there and the \$6 goes. We are sitting down there, and the next thing we wind up...

Senator Fournier: What do you do in good weather, if this is only in bad weather?

Mr. Dorrien: Have you ever been lonely; do you know what loneliness really is?

Senator Fournier: Yes, I know.

Mr. Dorrien: I have been in a crowd in Times Square in New York City and I was very lonely.

Loneliness drives you into a bar. You are looking for company. I cannot walk down the street or meet you in the park the way I am dressed and strike up a conversation, so I have to go and look for the people I know.

Senator Fournier: You are opening up a point for a lot of discussion. We would like to hear it, but this is no place for a long argument.

Mr. Dorrien: No, I understand.

Senator Fournier: Although we are very glad to hear what you have to say. You made the statement that you thought you were going to slip or slide. When you felt you were going to slide, wasn't there some feeling of responsibility within you to make you pound your head and say: "I am not going to", or did you just wade right into it?

Mr. Dorrien: No, I have fought it. I am sitting here to-day with money in my pocket and I haven't had a drink now...

Senator Fournier: God bless you then.

Mr. Dorrien: ...I would say for about a week and a half.

Mr. Robson: You won't have it long.

Mr. Dorrien: But I have fought it.

Senator Hastings: Jimmie, you still haven't answered my question. You have told me about the problem, and I have some conception of your problem. I know the fear of loneliness and the remorse, and where you find the answer, but I want you to tell me what we can do. If we instituted a guaranteed minimum income of \$300 a month, would that help you, or would that simply hasten you to your grave?

Mr. Dorrien: I don't think so, no. I would need assistance; but give us back our human dignity, give us back our self respect, give us the chance to try. There are men down there in that mission that have brains and intelligence, but when you are beat down so often, as Reverend McCarthy says, you come up so far and they stop you when you get back so far, and they tell you that that is as far as you are going to go and that is it. Sure, we need assistance.

The Chairman: Dorrien, when you were occupying your important administrative job in the north country, who told you that was as far as you could go?

Mr. Dorrien: Numerous people that had more government experience than I had.

The Chairman: You had an important job?

Mr. Dorrien: Yes.

The Chairman: Paying you good money?

Mr. Dorrien: Yes.

The Chairman: And you were quite happy there?

Mr. Dorrien: Yes.

The Chairman: Contented and with responsibility?

Mr. Dorrien: Yes.

The Chairman: Because I gather you have a spark of leadership in you. Why did you leave when you were at that level? You are a young man of forty-four in the prime of life.

Mr. Dorrien: Why don't you go down and tell some of the employers in Montreal that?

The Chairman: I am telling you. You were at that high level and in the prime of life, and you walked out or something happened that you left. Why?

Mr. Dorrien: Well, I have seen so much wastage in the north, and we have exploited the Eskimos.

The Chairman: Never mind the Eskimos.

Mr. Dorrien: I am just giving you an idea.

Reverend McCarthy: Weren't you sick when you came out?

Mr. Dorrien: Yes, I was.

Reverend McCarthy: That is the answer.

Mr. Dorrien: I was what they term as "bushed".

The Chairman: We understand that term. That can happen.

Mr. Dorrien: I was draughting some drawings and they got all mixed up and one thing and another.

The Chairman: You had a nervous breakdown.

Mr. Dorrien: Well, it was approximating that.

The Chairman: When you came back, you did something about it, why didn't you then try to move back into the territory and the job that you knew so well?

Mr. Dorrien: I figured if I went back into it, perhaps the next time I would have more of a breakdown.

The Chairman: What kind of mechanic are you?

Mr. Dorrien: You name it and I am it. I have worked on Diesels, steam...

The Chairman: If that is your answer, "You name it and I am it", you are priceless in the market to-day. There is one thing they need above everything else in this country and that is mechanics who know something about mechanism. Why can't you get a job at your

own price and on your own conditions almost?

Mr. Dorrien: Forty-four years old, they don't want it.

The Chairman: I don't go along with you on that. I think if a mechanic walks into any automobile repair shop to-day, they wouldn't care if you were as old as Santa Claus, they would hire you because they are so hard up for good mechanics. At forty-four you are in the prime of life.

Mr. Dorrien: Just go down to Montreal and find out.

Reverend McCarthy: You have had some hang-ups with booze, which makes you not a good mechanic, right?

Mr. Dorrien: You can be the best mechanic in the world, but if you are on the booze and you aren't there, you are no good.

Senator McGrand: This group of people that you know each other, I presume they are on friendly terms with each other?

Mr. Dorrien: Yes, sir.

Senator McGrand: And you realize that men in the A.A. that wear a hundred dollar suit are in a little different category and they can fraternize with each other, but cannot your group, made up of individuals who know each other, find that spark among yourselves that activates a person to lift himself up?

Reverend McCarthy: Charlie, can't you find something that would activate to help yourself in your own community? Can you do things together? You obviously can drink well together and do all kinds of things together. Why can't you help yourselves together?

Mr. Robson: Pretty lonely when you are by yourself, to help yourself when you are all alone in a gang.

Senator McGrand: You are not alone with your pals, now. When you are with your pals and you talk things over, why don't you say: "Well, boys, it could be better if we tried"? Perhaps you would find the spark that lifts you up rather than keep talking about the people who are beating you down, and say to yourself: "It is within me and not in my neighbourhood to improve my situation"? Can't you find that sort of fellowship among yourselves? I don't want a long answer. I have another question.

Mr. Robson: We might be like that for a week or two, and then we just go right back in and go for a drink and right back into the same rut.

Senator McGrand: If that is what it is, there is not much use giving you a chance, if this is going to be your approach.

Another question just to Mr. McCarthy. You mentioned that most of your inmates are friendly and docile until you invade their privacy, when they tend to be a little nasty. Of course, that is the old animal instinct of defending your territory. How do these people today, when we are tearing down the inside of a city and building up high-rise apartments, when the community in which they live is disintegrating, in your experience how do you best achieve something, with them as a group or with them dispersed all over the place? Isn't there a group therapy there?

Reverend McCarthy: There is, but how are they to hear without a teacher? Their old folk ways, their old habits, their old patterns, are something that they adore, and this is it. This is all strange to them, rushing and the Metros and the Expos, and everything else is strange to them. So they shelter, they lock themselves up, they go to tavern because that is where they are. They talk about things and they watch a ball game. We instituted a program just by putting T.V. in the mission. Unfortunately we cannot do it all the time, but on rainy days definitely the people can stay in the mission. We watch when a World Series is on or when the hockey series is on we let them watch T.V. We figure the taverns have a real drawing card for these fellows, and they stay out and watch T.V.

The older people are a real concern. If the fellow does have a few drinks and upsets this old people's home that he is in, he is out. "We don't want your kind here", and so he is out. Then where does he go? He gets a cheap room where he can afford to exist; he comes down to the mission and bums food. If he needs clothes, he comes down there and eventually we bring him in. We have not had the opportunity to bring too many in because we don't have the space.

Senator McGrand: What can you do; what is the prescription that is going to help that fellow? What can you give that fellow that helps him, just money?

Reverend McCarthy: We have a small room group which is an amazing group. It was

started by two of our social work students who came down to work in the mission this year. They are at the McGill School of Social Work. They were operating an old people's group in another community centre, and they wondered if they could do something down there. We gave them a room, gave them a T.V., and they meet just once a week. The men can come in any other time during the week, but once a week they have this group therapy type of thing where they talk. For years, let us say, Charlie and Neil never talked to each other. Now they talk to each other, and they think that Charlie is not a bad guy and that Neil is not a bad guy, because they communicate, but before they were isolated and alone and they suffered from loneliness.

Senator McGrand: A self-imposed loneliness.

Reverend McCarthy: That is right.

Senator McGrand: That is it, a self-imposed loneliness.

The Chairman: What do you say to that, Robson, self-imposed loneliness?

Mr. Robson: You don't know anybody.

The Chairman: I know, but you have got two children who may have grandchildren as far as I know in Montreal. Do you see them?

Mr. Robson: I seen them last year.

The Chairman: Last year?

Mr. Robson: Last summer.

The Chairman: How old are the grandchildren?

Mr. Robson: One is four and one is two.

The Chairman: Interesting age, aren't they? How come you only see them once a year? Do they live that far away from you?

Mr. Robson: No. Well, about 10 or 12 miles.

The Chairman: The sons have cars and they can pick you up?

Mr. Robson: My young son has a car.

The Chairman: And don't they give you company and friendship?

Mr. Robson: I can go any time I want.

Reverend McCarthy: Aren't you ashamed?

Mr. Robson: I don't like to go.

Reverend McCarthy: Isn't that why you don't go? Why don't you tell them how you went last year? How did you get there last year?

Mr. Robson: They came to me.

Reverend McCarthy: They came down to see you and you had fallen on the sidewalk when you were stoned one night?

Mr. Robson: Yes, twice.

Reverend McCarthy: You had a slit on your head, and your daughter-in-law looked at you and said: "Oh, my God, dad, come home", isn't that right?

Mr. Robson: That is right. I got ten stitches in my head, and two weeks later I fell on my face.

The Chairman: How much more friendship do you want when your daughter-in-law and not your son came and said, "Come on home, dad", when they saw you in some difficulty?

Senator Quart: That is wonderful.

The Chairman: Isn't that worth while, something nice that can happen to a man, to have the hand of friendship extended?

Mr. Robson: Yes. I just don't like to stay there, that is all.

The Chairman: We don't understand everything around this table.

Mr. Robson: Another thing where he lives, he lives I don't know a soul there. The only ones I know are him and his wife and the two grandchildren. I don't know a soul. If I want to go to somebody I know I have to go 10 miles.

Senator Fergusson: I can understand that very well. That can happen. Taking the case of people who live with their children some place with which they are not familiar, they cannot be happy no matter how kind the children are.

The Chairman: I was talking about visiting. I didn't say living.

Senator Fergusson: I thought you meant living.

The Chairman: Oh, no. Go ahead, doctor.

Senator McGrand: You mentioned that they did not know each other until they got group therapy. Now they do know each other, and surely by exchanging their problems with each other and their attitudes towards their problems, they ought to be able to get at least that fellowship that goes along with being in the same boat; isn't there something in that which should relieve you of your loneliness, unless you are determined to remain lonely?

Mr. Robson: No, I am not determined. I get along with everybody. I know a lot of fellows. I know every guy in skid row, and that is no lie.

Senator McGrand: That's good, you know.

Mr. Robson: I worked in the kitchen and served them when they were coming through the line; I know them all.

Reverend McCarthy: The amazing thing is, we are developing that this is a phenomenon that might be peculiar to our situation; but if you remember back in the Bible and the parable of the wayward son, he went and mixed with these people, he found fellowship, and when he had blown everything he was alone. This is what happens. Everything is gone, and they find themselves alone. Other people reject you because you no longer have money; they are no longer your peers. You find yourself with a new group of peers, and how does that group operate? As soon as one guy gets an unemployment insurance cheque, "Charlie is a good guy, come on!" Next week Jimmie might be getting a cheque from somewhere else or Jimmie might get a couple of days' work. You had better believe they have fellowship, but is it a healthy fellowship?

Senator McGrand: That is what I say, that somewhere they can find that spark perhaps that activates the group.

Reverend McCarthy: We need people getting their hands dirty who can isolate people who are obviously in a group that need medical care, that need psychiatric care; get them out of that, let the group function and continue the group. We need people from the community involved in this, and it is a very effective piece of work, we have found it before. Sometimes you get too involved in it

so that it is like a new child or a new toy, that you are giving all your attention to this and the other is suffering.

Because of the volume that we have, we must concentrate on the maintenance. So these are little bones that are thrown up, but we find they are effective and, darn it all, if we can get involved in it and have everything going, we would have a different outlook. We would have guys saying: "What are you doing sitting around here week after week? Look at me." It is great to have someone say, "Look at me", who has done something, and it works.

Senator Fergusson: I would like to come back to talking about the camp for the families that you have, where you give them a summer vacation. I would like to know where you get the money, for one thing, how you operate, who pays, and how you choose those who go. I would understand from reading this that it is only families, but according to the list that you gave us of the family status...

Reverend McCarthy: That is something different.

Senator Fergusson: I understand that is something different. I think if you will just wait, maybe you will see the connection. According to those people that you have, it is a very small proportion that are married. Is it from that group that you choose the people to go, or is it from an outside group altogether that you choose people to go to the camp?

Reverend McCarthy: The people that go to the camp are outside the group altogether.

Senator Fergusson: They are, I see.

Reverend McCarthy: This experience started many years ago. In fact, 64 years ago we opened a summer camp, and we took families which used to be from the Griffin town area, from the Point St. Charles area, and basically poorer areas of the city, and it became a camp for poor people, though we have modified that by saying it is a camp for needy people. If a fellow's wife has a nervous breakdown and he is paying for all kinds of treatment, so that they do not have any money for a vacation but the woman needs to be freed from her children, we would take that family to camp. It is completely different to the men's work.

Senator Fergusson: It has nothing to do with the men's work?

Reverend McCarthy: No. The fact, which you did point out, that a lot of them are single men, points to another problem that has not been mentioned so far; that is, that many of our men who are single were dominated by their mothers and when their mothers died they could not function. We had one fellow who was a customs officer almost 40 years, who drank himself out of his job afterwards. His mother used to do his shirts, even press his uniform. He never paid a cent for having his uniform cleaned or anything, because his mother took care of everything. He found himself down in the mission after drinking himself out of all kinds of jobs, and found himself wandering around lonesome and broken. Here obviously was a man of talent. He was clean and neat. What happened? He said: "Well, the only job I have is as a cleaner at the mission". The guy didn't know how to sweep floors. We made him the night watchman, but he didn't know how to make a pot of tea for himself. What I am saying is that the Oedipus complex is very great. Also the fact of being single is one of the contributing factors to homelessness; most definitely, you have put your finger right on it.

Senator Fournier: Where is the camp situated?

Reverend McCarthy: The camp is in Lorraine, which is 18 miles past Morin Heights.

Senator Fergusson: Where do you raise the money to run the camp?

Reverend McCarthy: We have a campaign there during the summertime, and the camp is subsidized by the mission to the tune of about \$15,000. It will cost \$85,000 this year. Last year we raised about \$65,000 and we had to subsidize it by about \$15,000 from the mission.

Senator Fergusson: Would you tell us a little more about it; what is it like? Is it a large dormitory type or are there cottages?

Reverend McCarthy: It is a fantastic experience. It is a community of 500 people. We have three main camp sites: one for boys age 8 to 14, one for girls 8 to 14; and mothers with little children of 3 months to 7½ years of age, they live in main camp in separate rooms. The babies are taken to the babies' feeding station in the morning and they are fed formula. We provide disposable diapers—not that it is really a luxury, because if you

can imagine the flies around the camp disposable diapers are a necessity. Then they go to breakfast and the little children are fed separately by our counsellors, while the mother sits down to a meal by herself perhaps for the first time in a year, with a group of people who are her peers. During the day there is entertainment and recreation programs for the children. It is a tremendous camp experience, where a mother gets a rest. That is the whole aim of the camp, to take the mother from this environment, give her a rest, and to do something with their children. We try to inspire our counsellors to be something for the children to look up to. I don't know how I am going to beat somebody, but this summer we have to get people who are prominent athletes—let's say the Expos or the Canadiens or something, to come up to our camp and say: "Hey, kids, if you try hard enough you can make it too." There are a lot of them that came from that environment who did make it, and some of them went to our camp. In fact, one of the players in Junior Canadiens to-day is one of our old campers, and these people are really going. That is our goal, what we try to do in the camp setting.

I feel that if we could add something to it, if we had people in the community who will say, "Here we have a homogenous group which maybe if something like this had been mentioned earlier could be worked out", or perhaps we could help them solve some problems while they are there, to lessen their anxiety, and then we are doing something.

Senator Inman: Could I ask a question with respect to that? How do you choose the people to go to this camp?

Reverend McCarthy: They come to us and they are referred from agencies, from churches, and we select them on the basis of need, according to the number of children they have and what have you. There are not many that are turned away. If they are turned away, it is because sometimes they have overstayed their welcome, or they are very aggressive and they upset the whole camp procedure—they know it all and they have all the answers. However, basically almost everybody that comes forward or is sent, we take.

Senator Inman: Any limit to the number in the family?

Reverend McCarthy: No, we have had some families with nine or ten children there.

Senator Fergusson: I am not being critical at all, but it is just that I have been curious. It is a camp for families, but obviously it is for girls and boys and mothers with little children.

Reverend McCarthy: That is right.

Senator Fergusson: There is nothing for the fathers. They must need that sort of rest and relaxation too.

Senator Quart: They have it while they are away.

Senator Fergusson: You may be right.

Reverend McCarthy: This question has been posed many times, and usually it does come from people who are in the know in social work, but to say all men...

Senator Fergusson: You cannot do everything, of course, and I can see there are problems of priorities.

Reverend McCarthy: There would be multi-problems. There would be a problem with alcoholism, which is not there. We are restricted. There will be all kinds of problems and we don't need them.

Senator Quart: I was going to suggest that maybe you could institute a weekend before you close up the camp, for all the fathers of those ones who had come. Then you would be able to compare how they measured up to the wives, and probably you would get greater insight into some of the family problems. Probably they would be bringing bottles along with them in the lost weekend.

Mr. Robson: We would all go to camp.

Senator Fergusson: According to the biographies we have here, Mr. McGowan is a permanent resident. How many permanent residents do you have?

Reverend McCarthy: Between ten and fifteen, but it varies. We have a few that are permanent, and there is no way we can put them out. Neil contributes from his pension money a certain amount to stay in the mission, but there are others who have no income whatsoever and we take them on. For example, we have one retarded chap who has been with us ever since I have been there, and that is 1956.

Senator Pearson: Would he be entitled to welfare?

Reverend McCarthy: Certainly should be.

The Chairman: I am glad you raised that, Senator Pearson, because I notice in the report the words that they do not receive welfare.

I think we had better have an understanding on this, Mr. McCarthy. Under the Canada Assistance Act there is no residence clause. A man formerly used to have to reside in the province for a period of time before he was eligible for welfare, but that was taken out in 1966. Every man in the country is entitled to have his needs assessed and his needs met; that is the law of the land. You may say: "I know the law, and you know the law, but does the fellow who is giving out the relief know the law?" He may not give it to you.

My advice from this committee to you is that you immediately get in touch with the legal aid department—there is one established, the Bar Association have advised us—and it is time that you institute a suit on behalf of someone to assert his rights once and for all. We have to know where to stand. There has been too much buck-passing, not on your part but on behalf of other people, in order to establish that right. You have a perfect case, and you can take it to court. The Bar Association of Quebec were here the day before yesterday, and they said they had a legal aid section. They gave us the impression that they were prepared to fight for social rights. Now, you challenge them very quickly. If you do not know who they are, we will give you their names. You make sure that you qualify somebody—50 per cent of your people are from Quebec anyway; so get someone, a Quebecker preferably but it doesn't make any difference.

Reverend McCarthy: A lot went for assistance and they said, "No way".

Mr. Dorrien: I had just come out of hospital and I went down.

The Chairman: I made it quite clear that you are not the first ones who have been refused, but it is something that we cannot do and that you have to do. Reverend McCarthy can do it on behalf of anyone, to have his rights established in the courts: are you or aren't you entitled? That is it.

Reverend McCarthy: We most definitely will pursue this matter. As a citizen I feel that in no way should we administer welfare to perpetuate drinking, that is my feeling;

and that there must be check-mates on this and this thing can be worked. I have been sitting on committees in Montreal and I have been listening very carefully when people in high office have actually questioned the legal rights of our people because they knew that eventually they were going to have either a minority or a majority that was going to force something or other. We have sat and listened to people from Quebec City, to people from the City of Montreal, and we have made proposals on the administration of welfare to these people where it would be co-signed by the mission, and it might be administered weekly if the fellow could not handle it, or whatever it might be. It was still allowing him the selection of it. Everybody was in agreement that it fitted into the Canada Assistance Plan, until they got a judgment from somebody in the City Hall which said, "No way".

The Chairman: Mr. McCarthy, there is nothing in the law that says "worthy or unworthy", and it is not for me, it is not for you, and it is not for any of these people to say: "You are a drunk and you are not entitled to it", or, "You are a drug addict", or something. A person's needs, that is all there is. It is very important that we establish that.

Reverend McCarthy: Most definitely.

The Chairman: You are going to be our prime case on that, because you can do that better than anyone else.

Senator Inman: Of the total number of people that go through your mission, we will say, in the run of a year, how many do you think could be rehabilitated if they were gotten a job and a living wage? Do you think, any of them would come back into the stream of life to work again?

Reverend McCarthy: Could I be a little bit smart in a way, but rehabilitation means to restore someone to his former position.

Senator Inman: Re-establish them.

Reverend McCarthy: There is no way that can happen—re-integrate, yes. I would say there is a tremendous possibility for 25 per cent of our people within a year, if something constructive can happen to them; that there is a good possibility they will be producing again.

Now, there are many hang-ups on this. First of all, if a fellow made what Jimmie

made, there is no way he likes to go and start work at \$5,000 a year if he made \$15,000 a year. His goals have to be re-aligned by him, not by a psychiatrist or social worker, but by him. He has to come to the point where he accepts something useful in his life, that there is purpose, that there is a goal, and that there is a new challenge for him—and, my goodness, there are challenges in this country, and I am glad to hear people saying it here in Ottawa even. There are challenges, there are possibilities, there really are.

The idea of when we were young people, idealizing and looking forward with dreams—these people all had dreams too, and I think they can be realized. If some cluck in bureaucracy, in government, says he is not entitled to welfare and he makes that stick, then if he says, "You are not entitled to welfare because you are a drunk", I say, he should then be in a position to say now: "Because you are a drunk, we have treatment resources available for you. If you take those treatment resources and if you show progress—" and the government is going to pay the shot on it because it is there, the money is set up, "—if you progress and then you find that you need some money to get yourself organized and to get out and hustle a job, we will keep you going for a couple of weeks after you are working, so that you can buy clothing and stuff like that." That is fine but, to point blank say, "No", and not offer any alternative, is sheer hypocrisy and robbing everybody of any rights that they ever had.

Senator Inman: At the top of page 5 you are talking about people being thrown out and you say: "But since we do not want to scare the public, nobody hears about it." Why do you feel the public should not know about these things?

Reverend McCarthy: I am not saying that. I am saying that that is a fact, that our newspapers do not publish these kind of things that happen; that they do not say that so-and-so got mugged downtown, because, after all, these are not nice things and that is not indicative of the overall population.

It was amazing last year—and we are partly to blame and we feel badly about it—when there was a fellow who was paying \$35 a month to stay at the mission. He had his own bed and he got clothing. He got his pension which was about \$95—I think it is \$104 now or something like that—and he would pay the mission \$35 a month, for which he

got three meals, and they were good meals. At the end of the month he would go out and drink quite a bit, and they would put him to bed. If an ordinary fellow came in, there would be no way he could get into the mission because he would wake up the whole dormitory, but this old fellow they took and put to bed. Fine. We said: "Look, everybody else is paying \$50 a month for their food and lodging." When I am talking about everybody, I am speaking of the 15 permanent guests that we have. We worked on this and we said: "Sorry, Alfred, but you have got to pay \$50." He said: "Forget it." And he stayed right up until the last day of the month. He got his cheque about six days before the end of the month.

He went out and got himself a room and paid two weeks rent ahead, figuring that if he ran out of money he could come back to the mission on the 15th, which he always used to do before anyway. He went out and got drunk and somebody beat him up so badly that he could not see and he could not walk. Two days later they found him in his bed dead. They said he had a heart attack but, although I am not a doctor, I think he died of a broken heart.

That happens. It has happened to about five or six of our men where they have died as the result of these wounds, and that is obviously what it was. This is in the past few years that this has happened. Regularly people who cannot control themselves with their drinking, get robbed of their money. There is a crowd of leeches that hang around our environment. The Old Brewery Mission is not the greatest place in the world. We are at the bottom of the main street, St. Lawrence Main, and it is the sin strip of Montreal, it is bitter. We are afraid to work with the young people, because they muscle the older people. This is no joke, and we are involved in this all the time. We find that it works against the system, and we are really up against it when it comes to this kind of thing.

Senator Inman: When you say "But since we do not want to scare the public" you mean the papers do not want to scare the public?

Reverend McCarthy: That is right; it is general establishment policy that, after all, Mrs. Jones wouldn't walk the street if she read that she might get robbed, and the poor soul does get robbed; but it does happen and although I do not go along with the scandal sheets that do show it, they are the only

people that say it and the police really aren't that concerned about this situation.

Senator Inman: One other question. I think perhaps Senator Croll touched on this and it may not be pertinent now. You say you interview these people who come to you, and you find out why they cannot get social aid.

Reverend McCarthy: We pulled the shot last year. We got forms from the city of information that they required. We mimeographed it and we said: "O.K., fellows, now it is going to happen." Rather than drive them crazy, we figured we would take ten up at a time, so we took ten and we got about three phone calls to the effect: "What is going on?" "Sorry, these people are entitled to relief." We filled out their applications because they can dazzle you with foot work up there and say that you have to have this and you have to have that. We had all the information that they required and there it was. They said: "No, we are going to work out something with you people. We are going to give you some help." I said: "Look, it is not me. I am concerned about the individuals."

So next day we sent 25 to three different offices in the city which were within the area. We are right on the borderline. So then they started phoning in and they said: "No way. Because they live at your mission, there is no way that they can get help." Their idea was that they were subsidizing the mission, which they were not, because I hadn't bothered to ask.

Senator Fergusson: In other words, that disqualified them.

The Chairman: You hadn't bothered to what?

Reverend McCarthy: I hadn't bothered to ask. The only solution therefor must be that we have to go to court.

The Chairman: Not only is it the solution, but it is important because you can strike a blow for every disadvantaged person across Canada. Once we get it established in one court, we have got it, and these people will know where they stand.

Reverend McCarthy: Senator Croll, what happens in this case? Obviously it is not nice to say, but certain people are shaky, and if we take an individual and we start processing the thing and right away they give him a cheque, what happens then?

The Chairman: You mean they acknowledge it, they give him a cheque, and you wouldn't take the cheque?

Reverend McCarthy: I wouldn't turn the cheque back.

The Chairman: But all you want is that when the cheque doesn't come that you get hot.

Reverend McCarthy: That is right.

The Chairman: They will hand you the cheque, I think they will, once you threaten to take action. They won't go to court if they have a head on their shoulders. Now, don't go to court with a bad case but make sure it is on a good grounds. When I say "bad" I mean one that for some reason or other gives them an "out".

Reverend McCarthy: What I was thinking of doing was that if a fellow makes application and they turn him down, we wait for a month and we say that we want that back month that he applied for; do it that way.

The Chairman: You make the application, go to legal aid and let them work out the mechanics, and keep us informed.

Senator Fournier: Is the Reverend Father aware of the legal aid that the Bar Association are offering?

The Chairman: I indicated that to them to-day and Mr. McCarthy knows about it. He is knowledgeable.

Senator Fournier: Because they were very open to what you mentioned this morning, and they are just waiting for the chance to do something.

The Chairman: He knows the people there.

Senator Hastings: Mr. Chairman, I would like to talk to Jimmie and Charlie again. Charlie, according to your biography, you got troubles, wife trouble, financial trouble and health trouble. I am wondering if you would tell me what you think is your basic trouble?

Mr. Robson: Drinking, I guess; that is about all.

Senator Hastings: You acknowledge that?

Mr. Robson: Yes, I acknowledge that.

Senator Hastings: And Jimmie?

Mr. Dorrien: Yes, I would say that too; loneliness as well, and thoughts of the past. I cannot stay in a room by myself; I need to be associated with someone. If I had the proper type of job, and I realize now, as Reverend McCarthy says, that I cannot go back to where I was before, but I would say the past couple of weeks I have been trying very hard but I cannot find suitable work, and I am willing to work at anything at the moment. I hope that when I do start work, I can hold on to a little bit of money, and I will try my best anyway. I think basically it is dreams of the past and alcoholism.

Senator Hastings: About dreaming of the past, you cannot do anything.

Mr. Dorrien: I understand that.

Senator Hastings: None of us can do anything about that.

Mr. Dorrien: But when you are walking the streets and you are alone, you do revert back to the past.

Senator Hastings: When I asked you how we could help you—and we still haven't the answer—you replied by saying: "Give me back my self-dignity, give me my self-respect".

Mr. Dorrien: Yes.

Senator Hastings: I think Mr. McCarthy said we cannot do it.

Mr. Dorrien: He is trying to do that but...

Senator Hastings: He cannot do it.

Mr. Dorrien: No, but he can help me along the way if I can go to him and ask, but if a man has not got the wherewithal—right now he is doing a wonderful job and since I have known him he has done a wonderful job, and he has forgiven me an awful lot of tribulations; but I think if we had, as we were talking about, welfare, I went and asked for welfare. As I say, I cannot stay in a room by myself, but I want to stay in the Brewery Mission where I have friends.

Senator Hastings: Fellowship.

Mr. Dorrien: Yes, I have fellowship, and he says: "No, you can't stay in the Brewery Mission. You go out and get work." Well, in the city of Montreal right now you get \$80 a

month welfare, and a half decent room to compare with what is in the Brewery Mission—I mean, I can go in any night and have a shower, have a shave when I want. I can sit down and watch T.V. I can read newspapers, play cards, sit and talk with my buddies about different aspects of life if we want to. We can even talk about Mr. Trudeau and his trip out west. I can do all those things. Whereas I would say to get a room to compare with this I have to go to maybe \$13 or \$14 a week. That is to start with. After that I have to buy a little food and a little bit of tobacco. Then I find I am still walking the streets, because \$80 is not sufficient to keep me. So I come down and revert back to my buddies and I say: "No use me staying in that room. I may as well stay in the Brewery Mission. I am with friends".

Then, of course, if you have a little of your welfare cheque left, you say: "Well, come on and have a beer, fellows." That is the way it starts.

If I was in the Brewery Mission and I was getting assistance, and it was being demonstrated to me by Reverend McCarthy and he says, "Here are so many dollars", I go out and get myself a job and I am trying and if I am thinking I am slipping I won't go to my buddies but I will go to him and say: "Rev.—", which I have done twice, I think it is...

Reverend McCarthy: Jimmie, I think we have gone and on, but what I want to say I have said to you for years now. You just said: "I haven't got the wherewithal." You are a liar. You have the brains, you have the intelligence, you have been blessed with that; you have the knowledge to be able to speak and to sell yourself and do all kinds of things. I have told you that, Donnie has told you that, George has told you that, and now Senator Hastings has told you that, and I am sure there are other senators who would. Who else do you want to tell you that you have the wherewithal to do it? All you have to do is to have the guts to get up and say: "To hell with the world. I am going to make it."

Mr. Dorrien: Yes, O.K., Rev.

Reverend McCarthy: And if you walked away from here this morning...

Mr. Dorrien: You go out on the street in the morning with not a dime in your pocket and look for a job.

Reverend McCarthy: I put a dime in your pocket; you have got money in your pocket.

Mr. Dorrien: Yes, I have. O.K.

Reverend McCarthy: I think you can make it, and, boy...

Mr. Dorrien: I am certainly going to try.

Senator Hastings: I think you can make it, and I think you have taken the first step towards it when you told me your trouble was alcohol.

Mr. Dorrien: I admit that, but I wasn't always an alcoholic. I did take a drink and perhaps I was a problem drinker, and there is quite a few in Parliament right now who are problem drinkers, perhaps quite a few alcoholics; but they can afford to have it and I couldn't.

Senator Hastings: There are a lot of alcoholics who cannot afford it either around here.

Mr. Dorrien: For instance, me.

Reverend McCarthy: Our problem is we are Irish.

Mr. Dorrien: Right.

Senator McGrand: Going back to group therapy you have said: "Give me back my dignity."

Mr. Dorrien: Right.

Senator McGrand: When you are with your buddies, why don't you try a little Cooeyism: "Everything in every way is getting better and better." If you keep saying that often enough, you are going to influence somebody to believe it really is getting better and better. Cooeyism has made great strides from 40 years ago.

Mr. Dorrien: There is the City Mission run by Mrs. Russell where we do stay on wet days. We don't have too much money. We have a few packages of tobacco. Perhaps we are a little bit cold and we wander around to the Brewery Mission and we sit down and there is a kind of comradeship forms there. You sit down and you say to yourself, you read a book and you say: "I will try better to-morrow." I mean, it is there, but then you go out and you make the effort. I went in, when was it, last week...

Senator Hastings: Just say: "We will do better to-day."

Senator McGrand: It is the sustained effort of that being repeated over and over again among yourselves, one saying to the other.

Mr. Dorrien: I think sometimes you form this in the back of your mind; like, for instance, sometimes you walk down the street and you see one of your buddies who is really under the weather—and I mean under the weather—and you say to yourself: "Thank God I am not like that to-day"; but the point is we might get a couple of dollars and we will be like that to-morrow. This is the main problem, I think. I know it is not laughable, doctor, believe me it is not.

Senator Fournier: Mr. Chairman, could we hear from the other two witnesses, because this could go on all day.

The Chairman: Yes, I was going to suggest that perhaps we might hear from Neil McGowan. Have you got anything to add or that you would like to say?

Mr. McGowan: I have never been so well treated in all my life since I came to the Old Brewery Mission. After my mother died I was sent to this home, and I had three years in there and I was all alone in my room, and I got so darned lonesome I used to go to bed crying at night.

Anyways, I was getting \$17.57 from the provincial government which turned my affairs to \$105 a month.

Anyways, the home I was in they wouldn't keep me no more because I was too old and I was sent to hospital in Montreal North which I didn't like, and when I was sent out there the Monday after I left there I got a letter stating that they couldn't grant me relief.

Anyways, I said "O.K.," so I stayed out there a whole year, until one morning there was this social service worker from the province or something walked in and came up to me when I was sound asleep in my bed, and he said, "Get up". I jumped up and I said: "What's the matter? Who are you?" He said: "Don't you remember me?" I said, "No". He said: "I am your social service worker." He said to me, pointed to me and said: "You know what I told you last week?" I said: "What was that?" "I told you to be down to my office at 8.00 o'clock Tuesday morning." So when he came pointing at me with his finger

I made a grab for him, and he was right by the second story window. Anyways, the matron called the police and the police came and they took me to the station. Then they took me to Royal Victoria Hospital with trouble with migraine headaches and Parkinson's Disease.

I spent the whole day in the Royal Victoria Hospital until about 7.00 or 8.00 o'clock that night. They wouldn't keep me any more, so they sent me to Sally Ann.

I went to the Sally Ann and I was sent down in the dungeons down at the Sally Ann, in the cellar. That was the most horrible experience I ever had in all my life.

Anyways, I left the Sally Ann next morning and I didn't even have the bus fare on me, so I got on the street and I asked the driver if he would drive me up as far as Pine Avenue. He said, "Yes", so he drove me as far as Pine Avenue.

I got off the bus and started to walk up Pine Avenue towards the Royal Victoria Hospital, because I had an appointment. All of a sudden my feet wouldn't come any more and I knew it was the Parkinson's Disease. So I took small steps and I was running for about 25 or 30 feet and I fell flat on my face. I went right up to the door of this big apartment. I asked them to call the police, that I was sick. So he looked at me and he seen I was sick and he took me to the General Hospital. He called the police and the police took me to the General Hospital, which I told them of my appointment with the Royal Victoria Hospital for 8.00 o'clock that morning. They phoned the Royal Victoria Hospital and the social service worker says, "Yes, we have an appointment for half past 12.00 today." So they made me lie down and rest and they sent me over by taxi from the Montreal General over to Royal Vic. and there shown the doctors what happened.

Then the worker from the Montreal General Hospital sent me down to the Old Brewery Mission and I have been there ever since.

Senator Fournier: That is a very complete story, Mr. Chairman. I think we have heard all we wanted of the sad story, but we are glad to hear it.

The Chairman: We have Mr. Jean Marie Pilote. We do not have the simultaneous translation this morning because they need it upstairs, but Mr. McCarthy can interpret for him. He does not speak English very well and he is a little hesitant.

Senator Fournier: Especially when you were driving a truck, I suppose? [Text]

I can tell you that he was born on 22nd November, 1923, and is 46 years of age and single. He says he had six years of education; two years in the Canadian Army from 1944 to 1946. He is a labourer in construction and has worked for various companies. He was a labourer on trucks for three years in Montreal. He came to the city in search of a better life. His problems are, first, education; second, rural life habits; third, unemployment; fourth, alcoholism; fifth, no financial assistance; sixth, no assistance from the welfare services. That is what is set out in there as I have it translated. Now, find out, Mr. McCarthy, whatever he has to say here.

[Translation]

Mr. McCarthy: Do you have anything you can tell the senators?

Senator Fournier: There are several of us who understand French. So you can talk in French; don't be shy.

Mr. Jean-Marie Pilote: Right now, I'm looking for work. I'm a laborer. I asked for help from the Social Welfare, but they turned me down because I'm able to work. So I'm forced to stay at the Mission in the meantime.

Senator Fournier: If I understand properly, you say that you are able to work?

Mr. Pilote: Yes.

Senator Fournier: In carpentry, plumbing, anything at all?

Mr. Pilote: Yes, anything at all; general work.

Senator Fournier: In construction?

Mr. Pilote: Yes.

Senator Fournier: You agree that right now, in Montreal, in construction, things aren't very good. You're not the only one. You know what happened with that so-called Expo boom. Everybody knows.

Mr. Pilote: It's a shame.

Senator Fournier: Have you been short of work for long?

Mr. Pilote: I haven't worked since last fall.

The Chairman: We are getting it all on tape. Go ahead and hold your conversation; keep talking to him as long as he wants to tell us something. It will all be on tape, so it will be on the record.

Senator Fournier: I am just asking a few questions.

The Chairman: You go ahead.

[Translation]

Senator Fournier: Are you all right at the Mission?

Mr. Pilote: Yes.

Senator Fournier: Now, this problem of drink, do you have it under control, or...

Mr. Pilote: As they say, it's hard to control; sometimes, I let myself go.

Senator Fournier: What province do you come from?

Mr. Pilote: I was born in the Lake St. John district.

Senator Fournier: Is it a long time since...?

Mr. Pilote: I've been in Montreal five years.

Senator Fournier: Have you been an alcoholic, if we can call it that, for a long time? Have you had a problem for a long time? Did it begin when you were young?

Mr. Pilote: Yes, it began at 18.

Senator Fournier: Do you drink beer or hard liquor?

Mr. Pilote: Beer; no hard stuff. I don't care for that.

Mr. McCarthy: Was it before the Army, in the Army or after the Army that you started to drink?

Mr. Pilote: I started drinking, taking beer before I went in the Army.

Senator Fournier: And then, in your occupation, did drinking cause any problems for you? Have you ever been punished for it?

Mr. Pilote: Well, a little; I lost some steady jobs because I drank.

Mr. Pilote: No. I worked in the paper mills. I worked for the Aluminum Company. All jobs I could have kept, if I didn't have that problem.

Senator Fournier: Now, this drink problem, have you made an effort to straighten out? What kind of efforts have you made?

Mr. Pilote: I go to meetings, I listen to them talking, I try to tell myself—the temptation is there all the time.

Senator Fournier: Now, when you've been two months without taking a drink, is it hard to control?

Mr. Pilote: Yes, it's always there.

Senator Quart: During the time you were in the Army, did you go overseas?

Mr. Pilote: No, I was always in Canada.

Senator Quart: Good.

Mr. Pilote: Valcartier, Nova Scotia.

Mr. McCarthy: Do you think there's any difference between Montreal and Lake St. John for finding work?

Mr. Pilote: Back home, it's even worse; there's absolutely nothing. Everybody is on Social Welfare.

Mr. McCarthy: But you lost work in Lake St. John because of drink?

Mr. Pilote: Oh, yes!

Mr. McCarthy: Well, here you haven't worked in construction as you did back there?

Mr. Pilote: I worked six months at the Châteaueau Champlain, and I worked at Expo before it started.

Mr. McCarthy: And now, you're working as a helper on a truck?

Mr. Pilote: All kinds of jobs; whatever I can lay my hands on.

Mr. McCarthy: You didn't try to get help from Domrémy?

Mr. Pilote: Yes, I've been to Domrémy, already.

Mr. McCarthy: Yes? It's a clinic for alcoholics?

Mr. Pilote: Yes.

Mr. McCarthy: Did you take two weeks there, or three weeks, or what?

Mr. Pilote: I went several times. The first time, I was there six months.

Mr. McCarthy: Six months. And there was no change?

Mr. Pilote: It's very hard.

Mr. McCarthy: If you say you're an alcoholic that's not enough. If you say that you want to try to get back on your feet again, that's another matter. If you don't want to, you can take help for six months, ten years, no matter how long, and it won't work.

Mr. Pilote: All I want is to find a job. First of all, I can earn a living honorably.

Mr. McCarthy: You want to find a job and then drink like that?

Mr. Pilote: Yes, that's right.

[Text]

The Chairman: Senator Fournier, this is a young man of 46 years of age and single. One of the things he tells us is that he came from a small town. Find out where his family is and find out why he doesn't go back there to try and rehabilitate himself. Will you see if you can get something on that line of questioning?

Senator Fournier: I think as far as the second question is concerned, it has been answered. They moved out because there was no employment.

The Chairman: In the small town.

Senator Fournier: Yes.

The Chairman: Find out what family he has. There is no employment in the big towns, so what difference does that make?

[Translation]

Senator Fournier: Why didn't you go back to your Lake St. John region? Weren't you tempted?

Mr. Pilote: Well, my parents are dead. And I don't get along with my brothers.

Senator Quart: Your parents are dead?

Mr. Pilote: Yes.

Senator Fournier: Now, I'm interested in knowing, your stay at Domrémy, six months, that's pretty long, eh?

Mr. Pilote: I wasn't there for six months. It was twenty-one days. I was six months without taking a drink.

[Text]

The Chairman: All right, we will leave it.

Reverend McCarthy: He took 21 days treatment, and he went 60 days dry, which is the longest dry period he has had for a long time.

Senator Fournier: He did very well, you know. He was six months.

Reverend McCarthy: I think so.

Senator Fournier: I am quite familiar with this Domrémy, which we have at home, and I took an active part in it. That is why I asked him a few questions.

[Translation]

What made you fall after six months? I'm sure you were proud of yourself, eh?

Mr. Pilote: Well, I don't know; I took a drink.

[Text]

Senator Hastings: Mr. McCarthy, I wonder if I could ask you one quick question?

The Chairman: Just a minute. Have you finished?

Senator Fournier: I was going to ask him why he fell after six months. He is going to give me an answer.

[Translation]

Mr. Pilote: I was never accepted in my family because of my taking a drink. It caused resentment, and it made me mad.

[Text]

Senator Fournier: There was always some resentment within his family.

The Chairman: I gathered that. Senator Hastings.

Senator Hastings: With respect to the operation of your mission, you have the board of directors, but are the men represented on the board of directors at their meetings?

Reverend McCarthy: No, we have group therapy meetings where they make presentations, and we forward them. In fact, I usually act on their presentations before they go to the board. If it is a red hot thing, bang, we do it.

Senator Hastings: But in the administration they do not sit in on the decision-making.

Reverend McCarthy: No.

Senator Hastings: The men themselves.

Reverend McCarthy: No.

Senator Hastings: I think you mentioned there was a staff of 24, yourself, and it says here that you have two interviewing. How many professionals are there on the staff?

Reverend McCarthy: None.

Senator Hastings: Who are doing the interviewing, who are these two you mention?

Reverend McCarthy: I have two assistants who are pretty tremendous guys that I have worked with for years. We found out they had leadership qualities. They worked within another environment, and I saw them function, and they could relate to men and were interested in helping men. We tried one of them and he did a tremendous job. Another fellow, sitting right there, came in and he is doing a tremendous job, and they handle most of the load, not so much administration but maintenance and operation of the mission along with the interviewing and feeling out, doing the work in the mission. These guys get their hands dirty.

Senator Hastings: That is just three of you in this category?

Reverend McCarthy: That is right. Then we have a maintenance man also whom they call "mother" or "father".

Mr. Dorrien: Father.

Reverend McCarthy: Who is a father to these fellows.

Mr. Dorrien: Yes.

Reverend McCarthy: We used to employ the men for \$35 a week as cleaners; this is years ago. We found out that on Saturday, as soon as they could get to the bar, they were there; and we, not being there normally on Saturday and Sunday, found that there was chaos in the mission. So we decided we would do something different, and we hired the men for \$10 a week, and we hired five times the number of men. We ministered to them, and they build themselves up to \$20, \$35, \$45 a week. Our main goal was that once we got them up to that level of handling that kind of money again—because this is a big problem that they do not know how to handle money and they can make a hundred dollars and they will blow it; but we had them handling \$45 a week and hoping to feed them into other jobs out in the community. Sometimes it works; sometimes it doesn't.

Any time you contacted a person in the mission, the first time the man came into the mission it was a traumatic situation. You would take off his clothes and put them in the fumigator, because you didn't know where he slept. The mission could walk away. So you take everything that he owns, put it in the fumigator, and give him a hospital nightgown, a bar of soap and a towel and say, "Take a shower". The guy is pretty shaken up, so we felt that we had to have somebody there that could pass cigarettes around, talk to him, feed him back to my assistant Don in the morning, or George. We have followed through this way so that we have contact with the men.

I am not saying that works all the time, but that is our goal, to be that close to them so that we can pick them up and do something with them.

Senator Hastings: You said we should encourage them to help themselves. The purpose of my question was whether you were encouraging them to assume responsibility, as you obviously are, but they are the best ones to help themselves and should be encouraged. Along with that I think there is ability here that probably could be used in the decision-making and in the board of directors of this organization.

The Chairman: Senator Carter, Mr. McCarthy, who is the executive secretary of the Old Brewery Mission, has given us a very enlightening morning. I know you have some views on these matters. The questioning here has been pretty thorough this morning, but is there anything particularly, off the top of your head, that you would like to ask? He is a pretty knowledgeable fellow.

Senator Carter: You say everything was pretty well covered. I read the brief last night for the first time, and there were two or three things stuck in my mind.

The Chairman: Go ahead and ask him, and we will see.

Senator Carter: Reverend McCarthy did not seem to be too happy with the A.A. group, nor with the mental health group. They have covered that, have they?

Reverend McCarthy: No, mental health wasn't.

The Chairman: A.A. was covered.

Senator Fergusson: Mental health, that is one thing I was interested in.

The Chairman: Go ahead.

Reverend McCarthy: We have been having quite a few problems in Montreal with alcoholism. There has been no force behind it; there have been no people involved in getting some progressive work done. There has been a tremendous amount of pockets of work by various psychiatrists, medical doctors and social workers, all in their little empires spread around. We got them together one night and we had 200 people in a meeting, and we said to the government of the Province of Quebec, through their Optat, which is the comparative group to the Ontario Research Foundation, and we said: "Look, we want something done." They said: "Fine. Now that you have organized maybe we will get something done"; except in this group we also had the guy that paid the pay cheques, and he said, "I want something done tonight", and it was.

Then the Canadian Mental Health Association got on the band wagon with this drug thing with young people, which is a tremendous problem, and they said: "If you are going to a program, we are not going to wait for six months but we are going to do it now. We are going to do it our way."

What I am saying, in an Irish way perhaps, is that for many years we have been hung up with people who are mentally ill in our mission. 35 per cent of the people in our mission are mentally ill who need treatment. I say: Where have these people been? We cannot get treatment for them. 35 per cent of 3,500 men is about a thousand at least, 1,500 maybe, who need treatment. How in the world are you going to get them treated? Where are the clinics? What is involved? No, people are glory-seeking and getting involved in things that everybody is getting involved in today, while these guys sitting down in the mission we will write them off. There is only a certain amount you can write off, and then they are going to become the majority.

I wrote that brief about six times in six different ways. In one of them I said: "As a husband and as a father, I am not too happy about having these kind of people walking our streets." I think this is a very serious problem that people just do not seem to want to get involved in.

Senator Carter: You did not seem to have too high an opinion of professional social workers either. Have you had any experience with them that accounts for this?

Reverend McCarthy: You got the message. Actually, there is a big problem and perhaps it is a dichotomy. Through the volume we are restricted to maintenance. We have to deal with the people the best way we can, and we cannot be involved in lengthy projects of treatment; whereas with the professional social worker, if the thing is going to work it has got to be on a treatment basis where they see results. You get hung up when you go to an organization which has a thousand cases with only ten workers, and what they do then is to say: "Only the best prospects are the ones we are going to work with; the others we are going to maintain." So there is a frustration, because I do not believe maintenance is the answer, but it is only part. That is the rule of our mission, but as a priest I feel there is more than maintenance, and that is my hang-up, I guess; but when you see the social worker saying: "You can't do anything with those guys", I say you can and I really believe you can.

Maybe from their example of isolating and doing something, what I say is, "O.K., fine. We will isolate. You take them, because we figure that something can be done with them, and we will maintain the ones that we have left here."

Senator Carter: Do you do that; do you bring people along to the point where they can benefit from professional assistance?

Reverend McCarthy: In the City of Montreal there are no men's organizations. We used to have a men's section of the Red Feather where you could deal with men. The only time we can get people involved in hospitals is in emergency situations, and we try not to abuse that because when we do need it we might not have it.

We work very closely with the John Howard. That is only for a limited number of people, and we have a tremendous response there, but where can we feed men in our city? There are not many places that we can feed them.

Senator Carter: Do you ever follow up on people who have passed through, that you have brought up and rehabilitated and who have gone out and who have then come back with success stories; have you followed up cases where they have really gone out and become integrated in the community again?

Reverend McCarthy: Let us say we know of a few, and that is the straight truth. There are many who, once they make it, there is no

way that they want to be associated with the mission again; they are afraid to come back for fear that they might fall again. I think that is a genuine fear that they have, so that we do not hear from them.

I used to say that if you did not see a fellow, it could be one of three things: either he made it or he is in the canal or he is in the bucket. I used to be a prison chaplain, so I used to find them up there. If you didn't see a fellow, it was one of three things, that either he made it, he died, or he is in gaol.

The direct answer is that follow-up we do not really have. We do hear success stories. We know of one fellow who was an engineer and who is now a truck driver; he is very happy, he has no responsibilities.

Senator Carter: You make one interesting recommendation to my mind. You pick out D.V.A. hospitals and suggest that they be set up for treatment of this type of people. Why do you pick the D.V.A.?

Reverend McCarthy: For two very subtle reasons, and they are about as subtle as a pair of army boots. One is that the D.V.A. is federal, which you people are involved in. Secondly—and I mentioned this earlier—in the D.V.A. hospitals they do have treatment for alcoholics but it is under the table. Alcoholism for a veteran is considered a self-inflicted wound. He is either dismissed from the army as unlikely to be an efficient soldier; his term is up and he is let go; or, if he is a veteran and he comes back with alcoholism, they do treat them in the hospital but it is under the table.

The Chairman: What do they call it?

Mr. Robson: M.I.

Reverend McCarthy: "M.I.", that is the term for the O.A. ward, mental ward actually.

The Chairman: But it is alcoholism.

Mr. Robson: It is outside the city.

The Chairman: They do it at Sunnybrook too.

Reverend McCarthy: What I do say there is that in Quebec lately we have heard reports—not lately, but I guess about two years ago—that the government was considering getting rid of the veterans' hospitals, until all the noise came up; but they find that in Montreal they are going to use one ward for paraplegics, and that is set up by a private

organization in Quebec. The provincial government, I guess, is renting it for a dollar a year and the organization is funding it.

Also, in talking with some of these people, the same thing could happen with alcoholics. It could be a model, because they have the experience, they have the know-how, they have been doing it and they know how it should run. They could be a model in the community. There could be a ward set aside very easily for it and then say: "O.K., here is how it is done." Knowing our government the way they are, if it runs very good, they will want a part of it; if it fails, they won't want a part of it. What I am saying is that they are trial situations which will prove...

Senator Carter: You mean, the federal Government could set up a sort of experimental ward which, if successful, would eventually be taken over by the provincial authorities?

Reverend McCarthy: That is right, and I am sure they will gladly take it over.

Senator Carter: Thank you very much.

The Chairman: Anything else, Senator Carter?

Senator Carter: There are a lot of things but they probably have been covered.

The Chairman: Is there anything special? We can tell you if they have been covered.

Something you asked was special and there may be something else. We have had a good morning.

Senator Fournier: I think everything has been covered.

The Chairman: Will you take our word it has been covered, Senator Carter?

May I say to you, Reverend McCarthy, that you have made an excellent impression on the committee, which has heard a great number of briefs and has had the opportunity to pass judgment on persons and their knowledge of the subject. We are particularly appreciative of your dedication and your humanist approach. That you are trying to help people that need help. We think you are on the right course. If we can help, just call on us, because we want to. We are very much impressed by the fact that if you rehabilitate one or ten or twenty, they are saved, and that is the important thing.

We want also to thank you gentlemen who came here and gave us your point of view this morning, which is very helpful to us. You were open, you were clear, and in that way what you told us becomes very useful to us. Thank you, sir, and thanks to the people that you brought.

Mr. Dorrien: You are welcome. The committee adjourned.

APPENDIX "A"

WHO ARE THE HOMELESS?

A Brief submitted to the Senate Committee
on
Poverty—Ottawa—May 14th, 1970

By: The Rev. J. W. McCarthy
Executive Secretary
The Old Brewery Mission Inc.
915 Clark Street.,
Montreal 128, P.Q.

The Old Brewery Mission was founded in 1889 for the purpose of distributing charity and providing for the spiritual and temporal needs of the poor of the City of Montreal and for other benevolent purposes of a like nature. This is the objective of most rescue missions across the country. Some are strongly evangelical, others provide Christian work without proselytizing. The Old Brewery Mission falls into the latter category.

At present there are four rescue missions in Montreal, with a total bed capacity of 800 beds. During the course of a year, The Old Brewery Mission served 3,500 different men and, while there is duplication in other missions, we feel there is an average of 7,500 different men who utilize the various mission services each year. It is also reasonable to assume there are 20,000 men and women on the fringe of mission care. These people live in despicable cheap rooming houses and call upon our resources from time to time. It is only a matter of time before they cross the line to complete destitution. The Old Brewery Mission offers 190 beds per night and in 1969 we supplied the following: 56,737 nights lodging; 104,316 free meals; 6,239 temporary jobs; 2,540 interviews; and 79,529 articles of clothing given free. Our annual expenses have climbed from \$65,000 in 1965 to \$105,000 in 1970, basically due to larger facilities and increased costs. The Administration, Maintenance and Operation of a mission our size forces us to limit our services to those of maintenance. By that we mean food, lodging, clothing, temporary employment, transportation and financial assistance.

We have attempted to interview each man who comes to the Mission for any one of these services, but we find that the intake alone would require five to ten interviewers per night and two fulltime workers. We feel this kind of interviewing is essential: it gives us insight into the type of people we are

serving and helps us to fill the most serious types of need. We presently have two workers (one daytime and one in the evening) pursuing this study.

There are two reasons for restricting this procedure. First—money. It would cost \$30/50,000 annually (that money could buy some pretty fancy food) and the other is—“What is the good of knowing what is wrong with people or what their needs are, if there are no resources for treatment or assistance.”

When people find themselves as destitute as our people are, society deems them hopeless. Hopeless because Skid Row automatically infers “Rubby Dubs,” but that is not true and our intake interviews denounce that proposition.

Approximately 35 per cent of all men who come to The Old Brewery Mission suffer from various forms of mental illness or deficiencies and that is their only problem. These 35 per cent are basically non-drinkers; they are the mentally retarded children of yesterday; they are the people the Canadian Mental Health Association have a mental block on: they do not exist. These men exist on garbage pails, on rag picking, on butt trapping and are happy to come home at night to the Mission. Because they are docile, passive and can function, they are free to roam the streets and maybe if they are lucky deliver circulars from door to door. Technically they require a small dose of maintenance and perhaps slight medication, but since these people are so unstable, it is difficult to get them to keep appointments in a General Hospital (Psychiatric Sections) and since medication can produce uncertain reactions to these confused people, generally they are not given any. In some cases, a homeless man may be incarcerated, screened prior to trial, and dispatched to one of two mental institutions. While he is there for a sojourn of one or two

months, he longs for the comfortable surroundings of The Main Street, where he has conditioned himself to function. His progress amazes the doctor and he is released with a bag of goofballs, and we mean a bag, and he is a marked man. Marked in that one goofball and a glass of beer means oblivion, so the more nefarious element moves to purchase or steal his medication. By the second or third time of treatment, he realizes that if he takes enough pills he feels nothing, no headaches, no problems, just nothing. When he is coming close to the end of the pills, he panics, he is agitated and unsure, so he takes them all, becomes unconscious and if someone notices him, his stomach is pumped out and he is saved. For what?

Now these things have happened, they are not fabrication. We know that these 35 per cent need help and care and the best that we can offer is a bed, food, clothing and a sympathetic ear. Surely we must be concerned about this, because for every man like that in our Mission, there must be ten others on the street. During the course of 1969, it would be safe to say the three downtown Montreal rescue missions have served a minimum of 1,000 mentally disturbed people and we say again, their major problem is mental illness added to that of rejection by their families and their present homeless condition.

Running a close second to mental illness is alcoholism. In our society there are sociological categories of alcoholism:

1. Problem drinker—rich
2. Alcoholic—middle class
3. Chronic alcoholic—low class—unemployed
4. Skid Row alki—unemployable, brain damaged Wineo, Rubby—lower low class

Generally speaking, alcoholics at the Mission can be classified into every known class of alcoholics and if we haven't seen one it hasn't been classified yet.

Alcoholism presents a serious problem to our society. The general accepted level of alcoholics in Canada was 2 per cent to 2.5 per cent of the adult population ten years ago; today it is 5 per cent; will it be 7.5 per cent or 10 per cent in 1980? At The Old Brewery Mission, alcoholism represents 30/35 per cent of our community. Some have complicated alcoholism in that they also suffer from acute forms of mental illness, others physical illness, caused not only by heavy drinking but

by serious accidents which contributed to their drinking and some others had serious accidents as a result of being intoxicated. Currently there is a serious incidence of T.B. among alcoholics and over the past three years we have had 45 men admitted to the Royal Edward Chest Hospital for treatment in their sanitorium at Ste. Agathe, and there are men who refuse treatment and continue to share their bottle with unsuspecting pals.

Eventually we hope to see treatment centres in Montreal for alcoholism, but preliminary investigations lead us to believe this treatment will be centred upon middle class areas. As much as I like A. A. and its programme, it is a known fact that they have gone into the comfort of the middle class where the percentage of redemption is better. So, who cares about the wealth of talent that is reduced to destitution in the Metropolitan areas? The municipal authorities are aware of our plight, but they refuse to administer welfare to men who live at the Mission. We realize that welfare is not intended to perpetuate drinking and we can control that problem by recommending they be cut off from future payments if they abuse the privilege. It is our feeling that our people have contributed to society and given a chance they can contribute again. Welfare cheques are only to help them reorganize and get started again and if a man quits he could be subsidized on a smaller scale to force him to compete. There is absolutely no coordination or concern about the plight of the castoffs of society.

About 10 per cent are the transients or drifters who move from place to place. The other 20 per cent are men who are physically incapacitated and temporarily unemployable—they are the true victims of misfortune. A small number are old men who were freezing in cheap sinful rooming houses (flop-houses), and towards the end of the month they wandered out to the Mission for food. Providing they could walk, we invited them to stay over the winter months on the top floor of the Mission.

It may be strange or ugly to you, but when a man has spent seventy years on the Main Street, his roots and heart are there and he wants to live there or as close as possible.

Gradually the city began to renew itself. Houses and homes were demolished and the old men moved. Gradually they formed a core in a central area. They became marked men,—they liked a beer or two on Pension day; why not? On the way home, a punk

would beat him and rob him. When he returns from the hospital, the landlord throws him out. This story happens quite a few times each month, but since we don't want to scare the public, nobody hears about it.

We operate a summer camp for needy families. During the course of a year, we take approximately 500 families to our Laurentian camp site called Camp Chapleau. Here too we see the damning effect of poverty. Mothers have thanked us with tears in their eyes for the wonderful food that they and their children have received and they cry when they leave because they are returning to nothing. One of the main medical problems in camp is upset stomachs and they are upset because of the rich food—food that their poverty has deprived them of. Here again, the only thing we have to offer is a temporary reprieve. Temporary because the average family stay in camp is approximately two weeks. It is our feeling that camps like ours could be the beginning of a new life for poor people. It can give them something to look forward to. We could, in cooperation with welfare agencies, public health people and industry, get to the mothers and children with in-camp interviews. We could stimulate interest and action on the home front. Referral resources could be made come alive. We feel that a summer camp situation can provide the opportunities of hope and salvation for broken and crippled families.

But just how do you go about organizing such a thing? How involved can a mission get when professionals say you are all wrong. We have found that by entering into the domestic situations of camp families that we were once again being involved in stop gap measures and that handouts of groceries, clothing and money was the order of the day to tide them over until welfare help came through. We agree that this kind of work is essential, but without professional referrals and advice, without treatment and care before the next pittance comes due, Mrs. Jones has a gas or oil bill that has to be paid. The budget for such upkeep is beyond our means and we had to cut back to camp expenditures only, with the exception of a two week supply of groceries to 150 desperate families at Christmas. The professional social work agencies say this robs them of their dignity. We say the money they could use for groceries can be used by them to buy presents for their children.

It would seem that our Mission cuts across the grain of our existing resources. It meets crying needs and it does something with a large number of people. We do not yield to the temptation of treating or caring only for the most promising prospects—that is the job of the professional. We take each man, woman or child for what they are. A child of God who needs help and that child has the same potential for good or bad as anyone else. It is up to us to try and make them exercise their powers of good to overcome the sin and stigma of poverty to help them help themselves.

Gentlemen, for a group of people who are not professional, who have no referral resources, who can do no more than help where we can, we say thank you for being kind enough to listen to us and we say thank you to the thousands of people who support us and believe we are doing a good work. It is our profoundest wish that by baring our souls that professionals in all fields may open the doors to the sick and helpless people that we minister to.

APPENDIX A

THE OLD BREWERY MISSION INC.

Officers:

President, Colin W. Webster, Chairman of Board—Canadian Import Co.; Vice-President, W. K. Hogg, President—Guaranteed Pure Milk Co. Ltd.; Hon. Solicitor, F. B. Common, Jr., Attorney; Hon. Secretary, M. G. McConnell, President Youville Stables Ltd., Director—St. Lawrence Sugar Refineries Ltd.; Hon. Treasurer, B. J. McGill, General Manager, Royal Bank of Canada International Division.; Hon. Medical Officer, Dr. Alec Gordon, Resident—Montreal General Hospital; Executive Secretary, Rev. J. W. McCarthy, Anglican Priest.

Directors:

John B. Frosst, Retired Businessman; S. Boyd Millen, Chairman of Board, John Millen & Son Ltd.; O. N. H. Owens, Manager, Seaforth Medical Bldg., Retired Engineer; C. B. Powell, President, Schweppes Powell Ltd.; D. Dawson, President, Greenshields Inc.; H. J. Hannaford, Retired stock broker; Lorne C. Webster, President, St. Lawrence Diversified Co.

APPENDIX B

THE OLD BREWERY MISSION INC.

1970 Supplement
to

The 1963 survey of 100 men living at the mission

A Complete Survey of 100 Case Histories For the Years 1963-1969 Inclusive

This Supplement was prepared by:

Messrs. D. E. Waite

and

G. P. Calderwood

The Rev. J. W. McCarthy

PREFACE TO THE SUPPLEMENT

We believe that by continually reexamining ourselves and our work that we can isolate the immediate needs and direct our efforts in that direction. Since the original 1963 Survey proved so popular, we decided to bring it up to date by taking 100 case histories for each successive year.

As in the original Survey, the following samplings and documentations are from consecutive case histories and no attempt was made to segregate anything. The same procedures were strictly adhered to and we therefore have an up to date survey on 100 men who came looking for help to The Old Brewery Mission each year.

PLACE OF BIRTH

	1963	1964	1965	1966	1967	1968	1969
Nova Scotia	12	12	14	5	13	10	12
Newfoundland	4	3	6	6	3	4	3
Prince Edward Island	4	2	4	1	1	1	—
New Brunswick	10	9	7	7	11	10	8
Quebec	41	39	45	52	57	55	52
Ontario	10	9	9	13	6	10	7
Manitoba	1	2	2	1	—	1	—
Alberta	—	2	2	1	—	1	2
Saskatchewan	1	—	2	—	1	—	1
Scotland	7	6	2	3	2	1	2
Ireland	2	1	1	—	2	2	2
England	3	3	—	2	3	2	1
United States	2	2	—	6	—	2	7
Europe	3	10	6	3	1	1	3
	100	100	100	100	100	100	100

AGE GROUPINGS

	1963	1964	1965	1966	1967	1968	1969
20 or under	3	1	3	8	—	5	2
21 — 25	4	6	6	7	3	10	8
26 — 30	5	12	6	3	6	9	9
31 — 35	9	7	10	9	12	11	11
36 — 40	11	15	29	19	13	10	15
41 — 45	16	14	12	22	19	12	16
46 — 50	19	10	14	11	13	13	14
51 — 55	12	8	9	6	16	16	10
56 — 60	12	11	6	7	10	4	7
61 — 65	5	8	2	5	7	4	3
66 and over	4	8	3	3	1	6	5
Total	100	100	100	100	100	100	100

FAMILY STATUS

	1963	1964	1965	1966	1967	1968	1969
Separated	20	21	17	17	27	20	16
Married	7	11	12	6	6	11	20
Common Law	4	—	—	—	1	3	1
Widowers	14	11	6	—	7	12	4
Single	55	57	61	77	59	52	58
Divorced	—	—	4	—	—	2	1
	100	100	100	100	100	100	100

LANGUAGE

	1963	1964	1965	1966	1967	1968	1969
Bilingual	45	37	31	54	50	40	49
English Only	53	59	64	37	36	38	37
French Only	2	4	5	9	14	22	14
	100	100	100	100	100	100	100

NEXT OF KIN

	1963	1964	1965	1966	1967	1968	1969
Aunt	1	—	2	—	1	3	1
Common Law Wife	4	—	—	—	—	1	—
Wife	9	16	15	7	6	10	8
Mother	10	14	24	30	14	21	28
Sister	25	17	16	14	16	10	12
Friends	2	—	2	1	11	5	4
Nephew	1	1	—	1	2	1	—
Brother-in-law	1	—	—	2	—	—	—
Father	5	10	17	15	9	9	17
Son	4	1	—	1	—	5	2
Daughter	—	2	—	—	—	2	—
Brother	15	20	14	19	36	25	23
Uncle	—	2	—	—	—	2	—
Unknown	23	17	10	10	5	8	15
	100	100	100	100	100	100	100

PLACE OF RESIDENCE—NEXT OF KIN

	1963	1964	1965	1966	1967	1968	1969
Quebec	39	38	38	57	60	59	44
Ontario	13	9	16	7	9	6	9
Prince Edward Island	1	1	2	1	1	1	—
Nova Scotia	10	8	13	4	8	8	10
New Brunswick	5	8	5	6	9	8	9
Newfoundland	1	4	3	4	3	3	3
Saskatchewan	1	2	1	3	1	—	—
United States	6	6	3	4	2	2	5
Scotland, England & Ireland ..	1	5	1	2	2	5	5
Unknown	23	19	18	12	5	8	15
	100	100	100	100	100	100	100

Special Senate Committee

RELIGIOUS DENOMINATIONS

[illegible]

LAST PLACE OF RESIDENCE

[illegible]

FIRST CAME TO THE MISSION

[illegible]

MILITARY SERVICE

[illegible]

POLICE RECORDS

[illegible]

EDUCATIONAL BACKGROUND

	1963	1964	1965	1966	1967	1968	1969
Attended Elementary	36	46	32	46	52	47	50
Attended Junior High	35	42	54	39	26	26	30
Attended Senior High	19	8	11	7	9	19	12
Graduated High School	9	3	2	3	9	7	6
Graduated University	1	1	1	5	4	1	2
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

EMPLOYMENT BACKGROUND

	1963	1964	1965	1966	1967	1968	1969
Professional	1	1	1	3	3	1	2
Technical	5	4	7	6	6	7	5
Clerical	7	9	12	6	9	15	12
Skilled & Semi Skilled	24	20	22	20	20	21	20
Psychiatric Nurse	2	—	—	—	—	—	1
Coal Miner, etc.	3	5	4	5	3	2	—
Hospital Orderlies	3	2	—	—	2	4	1
Unskilled	55	59	54	60	57	50	59
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

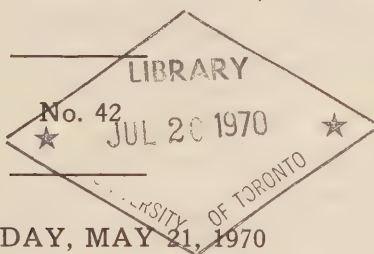
PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE

ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*



THURSDAY, MAY 21, 1970

WITNESSES:

The Department of Welfare of the Province of Saskatchewan: The Hon: C. P. (Cy) MacDonald, Minister; Mr. William K. Morrissey, Director of Program Division and Provincial Co-ordinator of Rehabilitation.

APPENDICES:

"A"—Brief submitted by the Department of Welfare of the Province of Saskatchewan.

"B"—Extracts from "Canadian Agriculture in the Seventies", a report of the Federal Task Force on Agriculture.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Thursday, May 21, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Eudes, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, Lefrançois, MacDonald (*Queens*), McGrand, Pearson, Quart and Sparrow. (12)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

THE DEPARTMENT OF WELFARE OF THE PROVINCE OF SASKATCHEWAN:

The Hon. C. P. (Cy) MacDonald, Minister;

Mr. William K. Morrissey, Director of Program Division and Provincial Co-ordinator of Rehabilitation.

(Biographical notes concerning the above witnesses immediately follow these Minutes.)

The brief prepared and submitted by the Department of Welfare of the Province of Saskatchewan was ordered to be printed as appendix "A" to these proceedings.

It was moved by the Honourable Senator Pearson and unanimously agreed that Chapter 16 of the Report of the Federal Task Force on Agriculture entitled "Canadian Agriculture in the Seventies" (from page 409 to 427, inclusive and from page 450 to 454, inclusive) be printed as appendix "B" to these proceedings.

At 11.55 a.m. the Committee adjourned until Monday, May 25, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

BIOGRAPHICAL NOTES

The Honourable C. P. (Cy) MacDonald

Honourable C. P. (Cy) MacDonald, B.A., B.Ed., Minister of Welfare, October 17th, 1966, is the member of the Legislature for Milestone constituency. Mr. MacDonald is also Minister in Charge of the Saskatchewan Youth Agency.

Born in 1928 at Humboldt, Saskatchewan, he attended public and high schools in Saskatoon. He received his B.A. degree from Notre Dame College at Wilcox, Saskatchewan, and his B.Ed. degree from St. Francis Xavier University, Antigonish, Nova Scotia.

Mr. MacDonald was elected to the Legislature in 1964. In 1965 he was named Legislative Secretary to the Minister of Public Health and given special responsibility in the field of youth. Until his appointment to the Cabinet on August 16th, 1966, he was Professor of English and History at Notre Dame University, Wilcox for 15 years.

Very prominent and active in sports, he has been hockey, baseball and football coach at Notre Dame College and is an Honorary President of the Saskatchewan Baseball Association. He is also a past Commanding Officer of R.C.A.C. Squadron No. 140.

Married to the former Ann Sullivan of Regina, they have seven children.

Mr. William K. Morrissey

Mr. William K. Morrissey, B.A., is the Director of the Program Development Division, Saskatchewan Department of Welfare.

After completing his secondary education at Campion College, Regina, in 1954, he then attended St. Francis Xavier University, Antigonish, Nova Scotia, where he majored in economics and graduated with his B.A. degree. He first joined the Department of Welfare as Research Economist in June 1957. He continued in this with interruptions for studies towards his masters degree in communications in Boston until February, 1963, when he accepted the position of Executive Director, Regina Welfare Council. In September of 1967, he was appointed to the position of Provincial Co-ordinator of Rehabilitation, and in September, 1968, was appointed Director of the Program Division, Saskatchewan Department of Welfare.

THE SPECIAL SENATE COMMITTEE ON POVERTY HEARING

EVIDENCE

Ottawa, Thursday, May 21, 1970

The Special Senate Committee on Poverty met this day at 9:30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Chairman: I will call the meeting to order. There are a few preliminary matters that have to be dealt with.

Next week we have a very heavy week. Monday we have Ontario, Tuesday we have New Brunswick, and on Wednesday we were to have Alberta. Alberta heard that we were coming to Edmonton and Calgary they asked to be heard in Alberta. We have to go out there in any event so I think we would have to agree with that. On Thursday we have the Canadian Medical Association and so the week is a very full one.

Now, all of you have seen a copy of the Canadian Agriculture in the '70s. That is a report of the Federal Task Force on Agriculture which has just been tabled. Chapter 16 of that report is in my view one of the most up to date studies on rural poverty that I have seen in some time or I think that any of you have seen. It is pertinent to our investigations I believe it is essential for our consideration and I am proposing that we incorporate Chapter 16 and the recommendations of Chapter 16 as part of our record. So as to have it all available to anyone who is concerned with poverty and I hope everybody will be.

We are in this fortunate position. We have a large distribution and a very wide reading public. This will give them a view of the rural aspects that I don't think have appeared in our records. Thus with your permission I would ask for a motion that it be incorporated in our proceeding.

Senator Pearson: I so move, Mr. Chairman.

The Chairman: This morning on my right is the Honourable C. P. MacDonald, the Minister of Welfare for the Province of Saskatchewan. He has been minister since 1966. His curriculum vitae will appear

in the proceedings. With him is Mr. William K. Morrissey, director of the Program Development Division, Saskatchewan, Department of Welfare. His curriculum vitae will also appear.

I have asked the Minister to make a statement and then leave himself open for questions.

The Honourable C. P. MacDonald, Minister of Welfare, the Government of Saskatchewan: Thank you very much Senator Croll, senators and madam senator. It is a privilege for me to come before such a distinguished Committee to discuss the problems of poverty in Canada and in particular to the Province of Saskatchewan.

You have received a copy of our brief and it is not the intention of our brief to present solutions for this complex problem but rather to make you aware of our concerns in a variety of fields. We hope to put forth our definition of poverty, the prospective that it should be considered in, the components of poverty, some strategies that should be developed, and outline some attempts of the Province of Saskatchewan to attach this dilemma.

Let me begin by saying that the Government of Saskatchewan is very much aware of the fact that there is a need to re-organize Canada's social security system or program. We strongly suspect that a great deal of money is currently not being spent in the way it should. Our Government stands ready to co-operate in the fullest degree in re-examining Canada's social security systems to make it more effective and more workable.

We recognize to date that existing programs have not solved many of the basic problems of poverty. We also recognize that today in Canada, we have a vast patch-work of existing programs such as family allowance, old age security, unemployment insurance, as well as a vast array of provincial programs provided under the Canada Assistance Act. However Mr. Chairman, I want to say that Saskatchewan and the Saskatchewan government is not enthused with the concept of a guaranteed income. Many people,

politicians, social workers, economists, sociologists, are holding up this concept as a magic formula for the problem of poverty. We do not believe that a guaranteed income is an overall solution. Income maintenance programs will not by themselves solve poverty. They will only establish some absolute minimum level of income below which no individual or family disposable income will fall. To suggest that this in itself will be a solution is to completely misunderstand the nature of the poverty problem.

The reason why people are poor are many and varied. Environment, low motivation, physical and mental handicaps, insufficient employment opportunities, not enough training and education, poor housing conditions, inadequate social services, inability to budget wisely and indiscriminate use of credit are all components of the cause of poverty. If we are to be successful in attacking the causes of poverty we must aim our ammunition at these basic causes. Our emphasis must be directed to rehabilitation and elimination of these factors if we are to be successful in providing future generations with a better way of life.

The financial implication of the guaranteed income could seriously jeopardize the financial input required to solve these basic causes. If the financial estimates of the program are anywhere near accurate, from one thousand million to three thousand million, depending on what level the basic is set at, it will place serious strains on the ability of the Canadian taxpayer to pay. A very basic question arises. How are these costs to be met? The cost of welfare services in Canada has been rising rapidly over the past decade.

The guaranteed income could put an overwhelming burden on the taxpayer. What is more serious is that it could destroy his capacity to provide services in many other vital areas. Housing, upgrading, training and rehabilitation, and a wide variety of essential services. Especially, we have a great concern about the impact of such a program on work incentives. One of the basic dangers of any welfare system is the possible effect on personal initiative and ambition. A chronic welfare family of the second or third generation is a serious concern to all Canadians. New programs must be evaluated in relation to their influence to make all Canadians productive members of the community.

Certainly, we are concerned about the lack of knowledge related to this program. Limited experimentation has been carried on in this field. A major change of this type requires more study and more knowledge. In discussing poverty, we believe it is important that poverty in Canada be placed in its

proper perspective. First, there is no doubt that poverty does exist in Canada but it is not the absolute poverty commonly understood in various parts of the world. Present programs have generally overcome starvation and malnutrition, etc. However, we do have relative poverty in Canada. Poverty in relation to low income, unemployment, lack of housing, insufficient services, and general alienation of any of our citizens.

Who are the poor in Saskatchewan? It is like most parts of Canada, our poor fall into the following categories; those on fixed incomes, including many of our aged and disabled, one parent families, the sick, and poorly educated and the untrained, the unemployed and the under-employed. Why are they poor? For a very wide variety of reasons which I have already indicated. I would like to point out that Saskatchewan has probably two problems that are of greater magnitude and are greater in our province than in other parts of Canada.

First of all, I refer to the problem of the people of Indian ancestry. Saskatchewan has 8 per cent of our per capita or population of Indian ancestry. 15 per cent of the Indian population of Canada reside in Saskatchewan. 25 per cent of the dependent Indians of Canada reside in Saskatchewan. In other words, Saskatchewan has one of the highest per capita Indian and Metis population in Canada and Northern-Saskatchewan has one of the highest birth rates.

The Chairman: When you talk about Indians, you mean Metis too?

Hon. Mr. MacDonald: No, these are straight Indians.

The Chairman: I just wanted that clear.

Hon. Mr. MacDonald: Yes, Mr. Chairman.

Senator Fournier: Would you repeat those figures please?

Hon. Mr. MacDonald: 8 per cent, 15 per cent—the Indian population and 25 per cent approximately of the dependent Indians.

Senator Fournier: Thank you.

Hon. Mr. MacDonald: The problem is compounded by the fact that many Indian and Metis people live in the north-western area of the province where there is little economic developments. Many lack education

and necessary skills. Unemployment and under-employment are widespread, resulting in nearly \$5,000,000.00, and this is a very conservative estimate, being spent annually on welfare and services.

Often welfare assistance is more profitable than employment. In addition, the problem is further compounded by the fact that a large portion of the native population in the north still speak dialects. We have attempted many avenues of trying to eliminate this problem or to tackle this problem. We have established a Provincial Department of Indian and Metis Affairs. We have established a Task Force made up of government, the public sector, the private sector made up of business and industry, university and education people, and we have attempted to provide adult education courses. Many such courses are being offered in Saskatchewan including basic literacy, junior and senior up-grading, high school courses, and technical vocational courses which can be taken at various provincial centres. Top priority has been given to provide education and training for our native population on an overall basis. Adult education courses are outlined in the proceedings and are actively encouraged.

In addition, the integration of native children into our provincial school systems is proceeding rapidly. Efforts are also being made to develop courses more suitable to our native children of the north. We have also taken another step that has been rather different perhaps than most other provinces. Saskatchewan has felt that there has been an over emphasis on credentials in job placement, particularly in relation to our poor.

There is now an over-emphasis in obtaining credentials in order to obtain certain jobs. We feel that in many such cases, such credentials are not necessary as far as our native population is concerned. Both we and the government and many of our private industry have re-examined the qualifications for jobs with the result that a great many native people have been hired who at one time would have been turned down.

In addition, training on the job is provided where needed. Very simply, this means that disadvantaged people should be given temporary incentives to enable them to get on their feet. In Saskatchewan we provide special incentives for the construction of houses, for sale or rental to native people. We have required our departments and government contractors to hire a certain percentage of people of Indian ancestry and we have established an Indian and Metis department whose function is to find jobs for native people.

In 1969 we estimate that approximately 5 per cent of the Civil Service in Saskatchewan is made up of native people. We have an ultimate goal of 7 per cent and we have asked industry to set the same target. In reference to Indian and Metis government employment policies, we have set a target by saying that at least 7 per cent of our total service, are to be staffed by people of Indian ancestry by 1971, either in training or in permanent positions. At the present time there is close to 450 provincial Civil Servants of Indian ancestry in Saskatchewan, representing a little over 5 per cent of our total Civil Service staff complement.

With regard to our policy concerning government contracts, at least 5 per cent of the total work force of all contractors, doing work involving the use of public funds, must be of people of Indian ancestry.

I would like to very briefly point out one other rather unique and a temporary problem that is now in the province of Saskatchewan. We are now experiencing an economic slowdown that is perhaps one of the most unique in Canada's history. It is an economic slowdown caused by surplus, abundance, and lack of international markets. I am referring of course to the Saskatchewan agricultural situation. All of us have heard of the wheat crop, the difficulty in international marketing and most of us are aware that Canada has one of the biggest surpluses of wheat, or storages of wheat in the history of our country and of course when we say that this is a temporary and rather unique situation in Saskatchewan; we refer to the agricultural crises and the well known fact that many of our farmers can not sell their grain. This is a situation that causes poverty problems not only among our farmers but has serious ramifications for our whole population.

On the one hand many farmers find themselves possessing large assets but on the other hand they have little cash. This is primarily an agricultural and economic problem rather than a welfare problem. While traditional welfare programs can cope with the farmers needs on a short term basis, they are not designed to provide a permanent solution to this type of poverty problem. A rather peculiar problem associated with the farm sector relates to the fact that many of our smaller communities are finding themselves hard pressed as farms grow fewer and many farmers travel greater distances for services.

Substantially lower grain prices combined with soaring production costs have produced a situation by which vast numbers of farmers are finding themselves in an extremely precarious financial position.

Gentlemen, I think now I will leave that as my opening statement and see if there are any questions which might arise.

The Chairman: Thank you very much, Mr. Minister. I believe the questioning this morning will begin with Senator Fournier.

Senator Fournier: Well, Mr. Minister, I will start off with a few questions to get the ball rolling. I would like very much to question the unemployment in your province. What is your rate of unemployment?

Hon. Mr. MacDonald: Well, to be accurate—I believe it is about 5.5 per cent at the present time.

Senator Fournier: How many people are employed in farming operations? Is this a high percentage?

Hon. Mr. MacDonald: No it isn't, senator, and I couldn't give you the exact figure on that, but just talking off the cuff I would think in the neighbourhood of 80,000 farmers.

Senator Fournier: 80,000 people involved?

Hon. Mr. MacDonald: Yes, senator, but that is off the top of my head.

Senator Fournier: How many farmers employ other people? If I were a farmer and I needed a few hands to work with me?

Hon. Mr. MacDonald: Well, in Saskatchewan because of a technological advance in farm equipment and larger tractors and combines and so forth, the number of people employed indirectly or working directly for a farmer, as a hired man if you want to put it, now is substantially reduced and there are very few people. The majority of farmers in Saskatchewan do their own work except for perhaps the harvest situation.

Senator Fournier: Would you know your percentage of employment through industries? I understand you are not an industrial province?

Hon. Mr. MacDonald: No, senator, and I couldn't give you the figures on that.

Senator Fournier: How is your welfare operating? Do you have many people on welfare at the moment?

Hon. Mr. MacDonald: Our caseload would probably number at this time 45,000 men, women and children.

Senator Fournier: 45,000?

Hon. Mr. MacDonald: Yes.

Senator Fournier: Of that number of people what would be the percentage descended from Indian or Metis descent?

Hon. Mr. MacDonald: Unfortunately, senator, in Saskatchewan under the Saskatchewan Assistance Plan we do not categorize people by ethnic origin nor do we categorize them as Canadians. We have no accurate figures on that basis. However, we would estimate that a substantial portion of that figure would be native Canadians.

Senator Fournier: Is the Indian population or Indian percent growing every year?

Hon. Mr. MacDonald: Yes. Northern Saskatchewan as I indicated in the brief has one of the highest birth rates in the world.

Senator Fournier: And it is growing every year?

Mr. MacDonald: And it is growing rapidly.

The Chairman: Senator Sparrow?

Senator Sparrow: Did you say that your caseload was 45,000?

Hon. Mr. MacDonald: Yes.

Senator Sparrow: Now, I have figures here that show in 1959 a total of 19,700?

Hon. Mr. MacDonald: This would be individual cases and I said 45,000 men, women and children.

The Chairman: Just multiply it by three and a half.

Senator Sparrow: That is the case figures but would you be suggesting a figure of about 2-1.

Mr. William K. Morrissey, Director of Program Development Division, Saskatchewan Department of Welfare: The figure you would be quoting there would include single persons and infant families. The 45,000 would include all dependent people.

Senator Fournier: You mentioned something about having an Indian and Metis Affairs Department. Would you call that Municipal Affairs or is that a special . . .

Hon. Mr. MacDonald: No, senator. Two years ago, the government of Saskatchewan established a new government department in the province of Saskatchewan called the Department of Indian and Metis Affairs and this is a full department that has the same equality status as all other government departments in the province.

Senator Fournier: And would you please tell us a little bit more about the credentials that you said to be required? What was it before and what is it today?

Hon. Mr. MacDonald: Well, for example, senator, we have felt that one of the major solutions to the native population in Saskatchewan becoming productive members of the community is employment and because of the fact that many of our native people in Canada, not only in Saskatchewan, do not have the same skills, education or technical knowledge that the majority of other Canadians have, that it becomes then extremely difficult for them to obtain positions.

Therefore, we have in the Government of Saskatchewan reduced the qualifications for native Canadians to obtain positions in the Government and set up a position called "A Supernumerary or Training Position" within each Government Department.

For example, in the Department of Welfare, we have 145 as of the first of January out of a total of probably a little over a thousand employees of Indian ancestry.

These people might normally require a Grade 12 and 5 years related experience and with a native Canadian we might accept a Grade 8 or Grade 10 or Grade 11 education and we would put them in a training position for a year or six months or whatever it requires until they get the background and the knowledge which would make them capable then to carry off the task. Then they are transferred into a permanent position. In all of the Government Departments—we call them Supernumeraries positions—we have made a very major effort to expand the number of native Canadians in the Public Service. We have also gone out and asked the private sector to do the same thing. We set up what we call Indian and Metis Task Force of Saskatchewan whereby it was made up of Government Officials, Department Heads, Members

of the University, Managers and Presidents of companies and we went out and asked the private sector to do the same thing; reduce the job qualifications and to train native Canadians on the job.

Senator Fournier: How do you work it out with Manpower or these type of jobs if you need Grade 12 and so on?

Hon. Mr. MacDonald: Our Indian and Metis Department have placement officers and when jobs become available, the Indian and Metis Department then would negotiate on training, etc.

Senator Fournier: Well, I was referring to training. According to Manpower if you don't have a Grade 12, they will hardly talk to you.

Hon. Mr. MacDonald: That's right. We have set up a special program in co-operation with the Department of Manpower. Perhaps Mr. Morrissey could enumerate a little further.

Mr. Morrissey: The question you are coming at is how do we overcome the fact that their qualifications state a Grade 12 and the individual we want employed hasn't got that. Is this what you are getting at?

Senator Fournier: No. I would like to get to the training first.

Senator Morrissey: Well, senator, we have basically the two programs. The up-grading is done in conjunction with Manpower and up-grading done under the Vocational Rehabilitation and Disabled Persons Agreement whereby we have an accelerated program for adults. This will take them right through basic literacy up to what we call vocational Grade 11. They could complete from Grades 1 to 11 in about 3½ years of continuous training.

Senator Fournier: Well, I think I will pass for now and then I will come back to ask some further questions.

The Chairman: Yes, senator, we will come back to you. Senator Fergusson?

Senator Fergusson: What is this Vocational Grade 11?

Mr. Morrissey: Vocational Grade 11 is a program that has really been designed by our Department of Education in order to give an adult who would not

normally be part of the academic stream the same source of skills to function within the economy of the labour market as an individual with the equivalent. This is a compacted or telescoped form of training.

Senator Inman: I was interested in this brief, Mr. Chairman, and it sounds as though Saskatchewan is doing a lot but however I do have some questions to ask. I understand you have a large scale New Start Program and I am interested to know how you are getting on with that and how it is working out?

Hon. Mr. MacDonald: New Start is a federally sponsored program.

Senator Inman: I know that Mr. Minister, but the reason I am asking is that we have it in my province, Prince Edward Island, and I am interested to know how you are getting on with this.

Hon. Mr. MacDonald: From what I can understand and from what I gather, they are making some real progress in the last year. I think they had a difficult time in the beginning of the program in establishing just exactly what its function would be and where its area of activity would concentrate. It is located in the city of Prince Albert which has a very heavy or very large native population. It is the kind of city in northern Saskatchewan which is one of the Gateways to the North and they have now gone into, for example, teacher aides, welfare worker aides and they are providing a productive training program in this regard.

Senator Inman: Do you feel that it is going to be a help for these people in the lower income brackets?

Hon. Mr. MacDonald: Yes, I do, senator. At the present time I have not seen any valuation of the program to date but I do know that graduates from New Start or people who have gone through the New Start Program are now actively working in our school systems and in our hospitals and so forth and I would presume that it will have an affect and impact on low income families.

Senator Inman: In fact, it should have an impact on the economy of Saskatchewan?

Hon. Mr. MacDonald: Yes.

Senator Inman: On Page 11, Paragraph 17, you speak of the young Metis people lacking socializing experiences. What exactly do you mean by that?

Hon. Mr. MacDonald: I think what we are really saying is that many of our young people come from northern communities and have not had the experience of getting into the urban situation in the southern part of Saskatchewan and in many ways La Loche is as far away from the city of Regina as Regina is from New York, and these people when they do come to the urban situation, or the urban centre really have not had any experiences with it and sometimes the very basic uses of the telephone and the very basic uses of the street cars, budgeting, housing and so forth has become very major problems for them.

I think we are concerned about the fact that a large percentage of our native population is located in the far north and very rarely do they get out of that situation. First of all that environment, the economic situation and the social situation that is involved in northern Saskatchewan.

Senator Inman: On Page 18, Paragraph 34, you say that a large percentage of the poor families do not avail themselves of these services. Can you enlarge on this and tell us why they are not using them?

Hon. Mr. MacDonald: Would you like to comment on this, Mr. Morrissey?

Mr. Morrissey: These particular instances which the Minister has just outlined relate to these people in the north; their inability really to understand, if you want to call it, the institutional system and specific reference is made here to the Department of Public Health.

It is found that in the northern regions of the province that we do have several people going into these regions conducting immunization programs, dental clinics and so on and it is by virtue of the very lack of understanding of the benefits derived from these programs and the people will just not use them—they are fearful of them, etc.

Senator Inman: Well, you have welfare workers up there so could they not tell these people about these services?

Mr. Morrissey: I think it is a very difficult thing to comprehend unless you see how remote some of these families are in the north. They are not living in any sense under urban conditions. They are very much spread out and as an example we have 35 workers in our Meadow Lake region and to think that they have a contact with all families is just not true.

Hon. Mr. MacDonald: For example, in very many of our northern communities in Saskatchewan there is no method of transportation except by air. There are no railroads, no roads, no regular air service; it is mostly by charter air craft and the only communications with these people is really with the odd visit of the welfare worker or a social worker who has to fly in on periodic trips.

Senator Inman: These are the people you mean then?

Hon. Mr. MacDonald: That is correct.

Mr. Morrissey: I think another factor that is very significant in this, especially in the north-west, is that many of our native people speak in dialect and it is very difficult for us to get workers sufficiently well qualified who can function in the dialect.

Senator Inman: I noticed in your brief somewhere you did speak of the people not understanding English and I wondered about that. Are there no schools or not enough of them?

Hon. Mr. MacDonald: No, the majority of the children speak English because there are schools in all the northern communities at this time. The majority of the people that we refer to are the older people who have not had the education opportunities of the young people and with many people who go into northern Saskatchewan, it is essential that they take along interpreters in order to communicate with many of our native people.

Senator Fournier: Do they have several languages among themselves?

Hon. Mr. MacDonald: Yes.

Senator Fournier: One group does not understand the other group?

Hon. Mr. MacDonald: No, I think they pretty well understand each other, but I think somebody who is skilled in semantics of language understands the dialects better of the different tribes.

Senator Inman: On Page 24, Paragraph 48, you speak of small farms. How small are these farms and what type of farming is done?

Hon. Mr. MacDonald: Well, in Saskatchewan, when we speak of a small farm we are usually referring to a half-section farm or perhaps a 3/4 section farm.

Senator Inman: And how many acres would there be?

Hon. Mr. MacDonald: Well, a section of land is 640 acres and this would be 320. The majority of these small farms are involved in mixed farming operations. They have cattle and pigs and chickens and so forth as well as grain and in certain areas or part of Saskatchewan there is quite a high percentage of small farms.

Senator Inman: And they buy these small farms . . .

The Chairman: They are not small farms like Prince Edward Island!

Senator Inman: No they are not because in Prince Edward Island we would call that a big farm.

The Chairman: I would think so.

Senator Inman: I was just wondering how these people did get along but you say they don't get along and of course it is difficult but I would say . . .

Hon. Mr. MacDonald: Well, the straight grain farmer that is on the small farm is having a very difficult time at this stage but the mixed farmer in many ways still a very independent creature in Saskatchewan and many of them, because of their own initiatives and so forth, are doing quite well.

Senator Inman: On Page 41, at the top of the page, you mentioned "Training courses in vacancies purchased by Canada Manpower at technical and vocational centres in the province". Would you enlarge on this a bit because I didn't quite understand it.

Hon. Mr. MacDonald: Well, Manpower—and I believe I am correct in saying this, senator, but Mr. Morrissey can correct me if I am wrong,—has a budget of so many dollars which means that they can train so many people and of course we use the services and the positions are related to the budget and the number of people that they can train per year.

Senator Inman: Well, I just didn't understand this part about vacancies purchased by Canada Manpower?

Hon. Mr. MacDonald: Well, in our technical schools we might have room for 100 students for a certain course in a certain field of training and Manpower might purchase 50 of them.

Senator Quart: How do you choose these 100 people if the number is limited?

Hon. Mr. MacDonald: Well, when we talk about the number being limited, there are a wide variety of courses. There are several thousands that are trained in this way. The majority of them are selected through our vocational and rehabilitation programs and social workers would refer them or Department of Indians and Metis Affairs officers would refer them.

The Chairman: Senator Fergusson?

Senator Fergusson: I think we certainly want to thank the Minister and Mr. Morrissey for coming before us and they have brought forth a lot of information about the native people; and we have had many other presentations but I suppose it is because they have a much larger proportion in the province of Saskatchewan. One of the things that I was interested in is on Page 12 of the brief, Paragraph 20 where you say:

The Saskatchewan Government recently established an Indian-Metis Department to help people of Indian ancestry to establish themselves in to the mainstream of provincial life.

This is something that I would like you to elaborate on a little bit because when we had the Saskatchewan Metis Federation before us, we were rather given the idea that they didn't want to establish themselves in the main stream of provincial life.

Hon. Mr. MacDonald: Well, I am just not sure exactly what the Metis society for the Province of Saskatchewan indicated, but we are certainly . . .

Senator Fergusson: Well, we have had opposition to this from the Metis people themselves?

Hon. Mr. MacDonald: Well, I think what they are really referring to, senator—I can't speak for the Metis society and Dr. Adams, and I don't want to put words in his mouth and I didn't hear what his presentation was—but I think they are very concerned with retaining their culture, retaining their background and history and giving their people a certain pride in belonging to the native Metis community and their pride in their Indian ancestry. However, when we refer to the main stream of Saskatchewan or provincial life, we mean that they should be given the same equality of opportunity to find a job and to have decent housing and provide for the other

amenities of life as any other citizen. Of course, this will require, we feel, for a number of years special concessions or we call it a positive discretion on their behalf until such time as their education and training skills are acceptable or lifted to the level of the competitor from the other side of the community.

We feel, for example, that we have got into a housing program in relocation of purchasing housing for them when they come to an urban centre to find jobs and we find that there is a great deal of urbanization going on among our people of Indian ancestry that are coming now to the urban centres in large numbers, and this does require effort because they have to first of all integrate into the community, be accepted in the community, find housing in the community.

For example, our Indian and Metis Task Force got the churches involved so that when they came to the community they would be made welcome and made part of the section of the community so they could participate in community life.

Senator Fergusson: Well, did you have to persuade the churches to do this?

Hon. Mr. MacDonald: No. The churches certainly volunteered their services but it was an attempt of the Task Force to emphasize the need in this regard and to organize it.

Senator Fergusson: Do you help them with their attempts to bring back their culture and to learn about it? Is this part of what your department is doing?

Hon. Mr. MacDonald: Yes, I think we could classify it as that. For example, we assist them in the establishment of Indian and Metis Friendship Centres in urban areas whereby members of their culture can go and meet with friends of the same background and the same culture.

We provide grants to their societies to help them organize and to help them carry on their functions and activities. We have a special advisory branch in the Department of Education which is working towards developing a school curriculum which would be particular to the north, which would be productive in expanding their own pride in their culture.

Senator Fergusson: Would you tell me if your Department of Education has done any review in text

books to be sure that there isn't the old picture of Indians being savages and this type of thing?

Hon. Mr. MacDonald: As I just pointed out, senator, they have just now established an Advisory Board on this and I would presume a part of their task and part of their function would be to do precisely as you have indicated.

Senator Inman: I have often wondered if there is any interest in getting the Indians themselves to help their own economy such as the Eskimos are doing with their sculpture. I was thinking of wood carving and bead work and things of this nature.

Hon. Mr. MacDonald: Yes. For example, another function of the Department of Indian and Metis Affairs is to help establish native industries.

For example, we have a steel plant in the city of Regina called Ibscoe and we have now just set up a new company which is strictly of Indian and Metis to provide scrap. At the present time it is just being established through a government loan and a grant from the Indian and Metis Department and the native people in the city of Regina will organize, manage and operate that company. Initially, as I say, it will be about 40 employees and we expect it to expand substantially more.

We have also given grants in other areas to develop a native industry.

The Chairman: Mr. Minister, I recall the Department of Indian Affairs in talking about the northern part of the country and we asked them what they were doing about the "Mary and Jane books" for the Indians in the farthest north. They said to us "Oh, yes, we are looking after that now". Well, that was three months ago and I find you in almost a like position today when Senator Inman talks about education and have you changed the books and you say "Yes, we are getting at that right now".

What arises in my mind, Mr. Minister, is what have you been waiting for all these years. This isn't a new problem and it is not even a new government in the Province of Saskatchewan. Why haven't you been attending to some of these things long before this? By the way, the Newfoundland government said the same thing to us when we talked to them last week—they said "Oh, yes, we are attending to this right now."

Hon. Mr. MacDonald: Well, as a matter of fact, senator, when I said we are attending to this matter

right now I think it is a continuing process. This has been going on for some period of time and there has been a northern curriculum branch for some years and they have been examining text books and the "Mary and Jane" concept several years ago. I am not suggesting that that is just now coming into effect.

Senator Fergusson: Mr. Morrissey, in reply to another question, said Adult Education Courses are offered and encouraged. I think this is wonderful but are they accepted? Do the people pick them up?

Hon. Mr. MacDonald: Well, senator, you will notice on one page of the brief there are some figures on the expansion of Adult Education Courses in Saskatchewan which might give you in a capsule form the information you need. On Page 43 the figures are given, which indicates the substantial growth and expansion of these courses. You will notice on the bottom of Page 42 it says:

Technologies—1,212 in 1969 compared to 324 in 1964; Educational upgrading 3,653 in 1969 compared to 108 in 1964; 1,944 in Trades Apprenticeship in 1969 compared to 924 in 1964; Training in Trades—Pre-Employment—1,697 in 1969 compared to 696 in 1964

and so on, so there has been a marked growth.

Now, these of course, do not all refer to people of native ancestry but there has been a substantial growth.

Senator Fergusson: Well, I was wondering about this and I was wondering if the people of native background were accepting these offers?

Hon. Mr. MacDonald: Yes. I believe that approximately 3,000, if I am correct, last year took advantage of Adult Education Courses in the province of Saskatchewan which is a very substantial expansion in the last two or three years, and they are now going out to many of the native communities and up-grading them and so forth.

Mr. Morrissey: Just further to that I would say that one of the difficulties with the education of the native population is that education in any form for these people is considered to be sort of an urbanizing experience and one of the things we have discovered is to bring them to a training centre, even if it is very close to their own place of residence so that these people may stay in the course for two or three weeks and then leave.

You have to give them a period of time back in their own home so that they will come back and you will find that they will leave two or three times before they will finally stay and follow through with the course. Our activity centres at Meadow Lake and Prince Albert are designed to overcome this.

The Chairman: Are those adults that you are talking about?

Mr. Morrissey: The whole family.

The Chairman: Now, we are not talking about school age children; we are talking about adults?

Mr. Morrissey: Yes.

Hon. Mr. MacDonald: If you will notice in the brief we do mention that we have established two work activity centres—one in the community of Meadow Lake which is northwestern Saskatchewan, and another in the city of Prince Albert. We are now in the process of bringing in a third this year in the city of Yorkton.

These were the first two work activity programs established under part two of the Canada Systems Plan and they are designed specifically to take people of native ancestry and not only of native ancestry but chronic welfare cases—people that have had difficulty in holding and maintaining a job and so forth—we are taking the whole family in, bringing the whole family into the community and providing housing for them; taking the women in the evening and providing training in domestic and budgeting and so forth. The man during the day, upgrading and work habits and so forth so we are finding that we consider them two very successful projects.

Senator Fergusson: There was another point that I was interested in. On Page 11, Paragraph 18, about the middle of the paragraph you say:

In addition northern Saskatchewan has one of the highest birth rates in the world.

This of course contributes to the poverty amongst those people and perhaps to some extent the solution we have been hearing so much about but has the government done anything to give birth control information out or do they leave that to private agencies?

Hon. Mr. MacDonald: Well, I am not really a specialist in the field of birth control so I would

hesitate to reply but I would say though that in northern Saskatchewan we don't have very much pollution. We have a very great deal of good clean Saskatchewan air and a great deal of good clean Saskatchewan water.

However, the birth rate is very high and I believe that birth control information is available through the Department of Health on request. I don't think that there is any positive program of education of this type.

Senator Pearson: Just following along on that birth control situation in northern Saskatchewan—isn't it right that the Indians that have a greater number of children receive a greater amount of relief in welfare and isn't this one of the reasons why there is such a birth rate in that country?

Hon. Mr. MacDonald: Well, senator, I wouldn't say that that was one of the reasons they have large families. I have a large family myself and it isn't because of the welfare payments!

Senator Quart: It is the cold nights!

Hon. Mr. MacDonald: I think that there has been a history of large families and I think the improved health ability and health care the lack of early death at birth and so on—the improved health facilities and I think health care and treatment are responsible to a degree to it and I think it is perhaps the cold Saskatchewan winters!

Senator Pearson: In that case the Eskimos should have still more! I notice that you are not much in favour of the guaranteed annual income but on the other hand you have quite a number of social services in Saskatchewan. Do you not think that something like the gross annual income would somewhat offset all of this necessity of a variety of welfare programs?

Hon. Mr. MacDonald: Well, first of all senator, I do not think it is synonymous to streamline welfare programs or to streamline the patchwork of the social security system in Canada with the implementation of a guaranteed income program. I certainly think that there is a need for re-assessment and a re-organization of the social security system in Canada, but this does not suggest that the guaranteed income is the only solution to the problem and the reason I say that I am opposed at this time or that I have doubts about the feasibility of the guaranteed income program is because I have a very serious reservation of the ability of the provincial tax dollar to support this program.

The Chairman: Mr. MacDonald, let us just understand each other. No one in this Committee and no one coming before this Committee has said that the maintenance income or guaranteed income in itself will solve our poverty problem. The serious discussion in this Committee has been that it was a first step towards solving the problem and what the Committee is thinking about is that the constitution provides that income comes from the federal government, the services from the provincial government and the Canada Assistance Act is a method of delivery.

Now, having that in front of you, what do you say to that?

Hon. Mr. MacDonald: In context also, senator, under the Canada Assistance Act the provincial government provides half of the cost.

The Chairman: Well, I started out by saying that when they conceived the constitution, income from the federal, services from provincial—you are not getting off Scot-free. You do have services to provide under the constitution, as you know. It would cost something, sure it will. It might cost you considerable, the umbrella is the Canada Assistance Act. In that context we are doing some thinking. What do you think of that?

Hon. Mr. MacDonald: Well, first of all, I think, speaking from a provincial point of view that any time the federal government agrees to pick up the cost of a program we would welcome that. I don't mean to be facetious, Senator Croll, but my reservations about the guaranteed income and I think the Province of Saskatchewan's view is that they still come from the taxpayer, regardless who it is, the provincial taxpayer or the federal taxpayer. They still have to pay and I am concerned that poverty is not related entirely to economic problems.

In fact the basic causes of poverty are anything but economic or certainly in addition to economic problems. I do agree that an economic income base is certainly a very important step in this problem but at the time my concern is that is this going to cost the Canadian taxpayer so much that perhaps other very vital priorities that would be required to eliminate poverty—I am thinking of housing, I am thinking of education, and I am thinking of upgrading and I am thinking of all the other areas and avenues—that if the costs are so high and estimates that I have seen have been rather astronomical,—and I don't know how accurate they are because I don't think anybody has done that good of research—but

would this limit for a period of time the provision of other vital services and other vital priorities?

I am also concerned as I indicated about our lack of knowledge in regard to this program and I do know that there are some experimental programs going on in certain areas of the United States but to date they have been rather short-lived. I don't think we have the knowledge or the research to make this kind of a decision and I only speak on my own reservations.

The Chairman: Mr. Minister, while we are at it we have had 1966, 1967, 1968, 1969 and 1970—it sounds like 4 or 5 years of experience on the guaranteed annual income supplement in this country. The old age security and it has worked well. You must agree that it has worked well—

Hon. Mr. MacDonald: It sure has, senator, but there is a basic difference. The guaranteed income supplement is related to needs.

The Chairman: Yes. So is this. Under the Canada Assistance Act the most important word is the word "need" so there really isn't any difference. However, we will get back to that. Senator Pearson?

Senator Pearson: Why did you divide the province into two as far as these two programs were concerned? Why did you divide the province into two as far as the welfare programs are concerned—the south and the north?

Hon. Mr. MacDonald: Well, senator, in saying that we divided the province into two, I don't really think we have divided the province in two; but what we have done is because—as Senator Croll has indicated Saskatchewan Assistance Plan is a neat test program and we try to relate it to the community, to the locale of the need of the individual involved.

For example, our rental schedules are based upon the community level, certain rental levels in rural Saskatchewan are not the same as they are in the cities and so forth so we have tried to relate our program to these communities and the local needs. We haven't drawn a line.

Senator Pearson: It wasn't the necessity of being closer to the work that was available?

Hon. Mr. MacDonald: No. As a matter of fact, Saskatchewan is now one of the few provinces where

we have uniform services and uniform implementation and the provincial government has assumed the responsibility of administering the welfare program throughout the entire province with the exception of two municipalities—the city of Prince Albert and the city of Moose Jaw.

This was implemented in 1966 and we have one comprehensive needs test program under the Saskatchewan Assistance Plan. It is administered on a provincial basis; not on a community or municipal basis in the province of Saskatchewan and I don't know of any other province that has finally succeeded in this endeavour.

Senator Carter: Do you have the same rates all through the province, in the north as well as the south?

Hon. Mr. MacDonald: What we do, sir; we make provisions within the Saskatchewan Assistance Act in relation to local produce for a farmer or a fisherman or whatever might be the case. If a farmer has cattle or sheep or chickens then we take that into consideration for this food allowance, we will say. We pay all of his cost allowances, such as rent and utilities and all of those things.

Senator Carter: Do you have a cut-off rate for families above which they don't get any more assistance? Do you have a cut-off rate despite the size of the family?

Hon. Mr. MacDonald: The only provision we have in the Act is that if a person is employable and they are simply in need because they lack a job, we have a provision in our Act that we will not pay in excess of 95% of their normal earning capacity over the previous 3 years of employment. In other words, this is a factor of not making our program too attractive so that people will give up employment.

Senator Carter: The reason I asked that question, Mr. Chairman, is that I noticed in the brief you take issue with the Economic Council of Canada when they assessed the rate they said:

Well, it wasn't realistic because they were the same for all areas and they didn't take into consideration that in different parts of Canada, different levels of income wouldn't be satisfactory.

I was wondering if you were operating it on that principle in your own province?

Hon. Mr. MacDonald: No.

Senator Pearson: Why is the north west part of the province under-developed or not developed at all?

Hon. Mr. MacDonald: Well, sir, it is a geographic distribution of resources of the wealth of Saskatchewan.

As you know the pre-Cambrian shield does not involve the north-western sector and as a result we don't have the mineral exploration and the mineral activity in the north-western part of the province. As you know the federal government has just included Meadow Lake as a designated area and the Province of Saskatchewan is now negotiating for a major pulp complex and saw-mill to be located in this area of the Province of Saskatchewan.

This expenditure will be a very fantastic amount if the negotiations are successful, and we would hope that this would revolutionize the economy of the north-western part of the province.

Senator Pearson: This is the near north-west. I am talking about the real far north-west. Is it because of the communications?

Hon. Mr. MacDonald: I think when we refer to the north-west, we are not referring to the far north-west.

Senator Pearson: I see.

Hon. Mr. MacDonald: We are referring to the Meadow Lake region, Ile-A-La Crosse, Buffalo Narrows, La Loche and that area of the province.

Senator Pearson: I was just wondering if the connection goes towards Alberta rather than the far north-west because of communications?

Hon. Mr. MacDonald: Well, this is true in Uranium City, senator, because as you know, most of the air transportation, for example, of uranium companies is flown out of Edmonton. However, we are not speaking of that one specific instance.

Senator Pearson: This is just the one specific instance?

Hon. Mr. MacDonald: Yes. In the north-western Saskatchewan it means that when you get up to Buffalo Narrows and La Loche there is only a half-inch of soil. We are trying now to create farms for the Indian population in that area and the land can only be cleared in the winter time otherwise we would lose all the soil because there is so very little

soil there. There is very little farming opportunities and the timber resources are limited in size in these areas.

We now find in doing the survey that there is ample now for having this very substantial pulp complex.

Senator Pearson: Yes.

Hon. Mr. MacDonald: And many of the fishing lakes are now being depleted so really there is very little economic enterprise in that area of the province.

Senator Pearson: Are there Indians and Metis living in this area to any great extent?

Hon. Mr. MacDonald: This is probably one of the heaviest concentrations in the province of Indian and Metis people.

Senator Pearson: So then really what is lacking are communications with those people?

Hon. Mr. MacDonald: Well, we have now developed a road system that pretty well covers that area.

Senator Pearson: Arising from where?

Hon. Mr. MacDonald: From Meadow Lake.

Senator Pearson: Meadow Lake?

Hon. Mr. MacDonald: Yes, up straight forward from Meadow Lake. I don't think it is really a communications problem; it is a development problem and we are hoping now that the structure of a new pulp complex and roads to the pulp resources and so forth in this area of the province, which has long been needed, will assist.

Senator Pearson: What about schools in that area?

Hon. Mr. MacDonald: Well, all of the communities have schools and fairly good education facilities.

Senator Pearson: Any vocational training at all?

Hon. Mr. MacDonald: No.

Senator Pearson: Isn't this more necessary for the Indian and Metis than actual education?

Hon. Mr. MacDonald: There is no question, senator, that there are very few of our native people that go through the academic stream.

Senator Pearson: Yes, they get lost about Grade 4.

Hon. Mr. MacDonald: Or in the elementary level. I think you have a very good point but whether or not—yet, they are so widely scattered that where you would locate a technical or vocational school is another question. There is certainly one in Prince Albert and many of them utilize that facilities.

Senator Pearson: Well, the reason I asked that is because at Fort Qu'Appelle there used to be a school there so wouldn't it be possible to build a large school for that area?

Hon. Mr. MacDonald: Well, of course as you know the Department of Indian Affairs has not very firmly established a policy of integration with the rest of the students of the province . . .

Senator Pearson: Yes.

Hon. Mr. MacDonald: And they feel that this is a very important facet of their education and it has been progressing extremely well and it rather goes against the principle that you have just enunciated.

Senator Pearson: Except that I don't agree with integration at all—I think it is the wrong step altogether.

The Chairman: Senator McGrand?

Senator McGrand: My first question was the question that Senator Pearson has just asked about the north-west part of the province having quite a number of Indian and Metis in the underdeveloped portion of the province. Now, you have said that there is no mineral wealth there and that agriculture is almost impossible because you only have a half and inch of soil, is that right?

Hon. Mr. MacDonald: Yes.

Senator McGrand: You have timber which you hope to harvest and build a pulp mill there. I was wondering about the supply of timber in an area that does not produce and if you have only a little bit of soil you can't grow a tree or it won't grow very high or very

fat. I was just wondering about the future of a pulp industry in that area?

Hon. Mr. MacDonald: Well, they have done it and they have just completed a very extensive survey, senator, and apparently there is ample timber there for a very substantial pulp operation. However, in some of the areas and in some of the community settlements the agricultural land is limited and the forest products are.

There are more located around the lakes for fishing, and so forth according to their cultural backgrounds but there is a very substantial stand of timber in that north-western area and we are hoping that the negotiations will end up successful.

Senator McGrand: Well, if you have a surplus of population there, the only thing to do with those people is to train them and move them out or move them out and train them, isn't that right?

Hon. Mr. MacDonald: That is correct.

Senator McGrand: Now, you mentioned in one of your paragraphs in the brief—I just can't find it at the moment—about building homes for Indians. You mentioned the fact about building low-cost housing for these people. You don't contemplate building houses for these people in these undeveloped areas where there is not sufficient resources to carry on, is that right?

Hon. Mr. MacDonald: On the contrary, senator. We have just built 300 homes in the north-western part of the province and as the senator indicated when the Metis Society from the Province of Saskatchewan was down here, one of the very great difficulties is the fact that these people want to remain in their native habitats and this, of course, has been one of the major exercises of the Department of Indian and Metis Affairs—to provide employment opportunities outside of that area for people who wish to go on training opportunities.

However, it just has been a declared special area under the regional expansion of programs of the federal government. Thereby we hope in this area now with the development of pulp and a sawmill complex through the regional expansion program, that there will be a development of services in that area and this will include homes.

Senator McGrand: I have read quite a bit about this mill, this scrap-iron mill and the Indians are

operating it on their own and as quite a success. Now, when the Indian Brotherhood was before us, they suggested that the federal government grant them an enormous sum of money—it sounds rather large to me—and that they would, on their own, develop industries out of their own because they said "We have the expertise". Now, this program that you have is sort of part of that program of providing the Indians with the resources and the finances in an area where there are the resources to carry on . . .

Hon. Mr. MacDonald: Economically.

Senator McGrand: Economically. You go along with that, is that right?

Hon. Mr. MacDonald: Yes.

The Chairman: Senator Quart?

Senator Quart: Well, I have been interested, Mr. Chairman and Mr. Minister, in asking about the guaranteed annual income but that has been covered to a great extent. However, you mentioned in your presentation the fact that welfare assistance is more profitable than the work.

Hon. Mr. MacDonald: I said one of the dangers, or one of the difficulties in north-western Saskatchewan is the limited employment opportunities for any of our native people and many of our other citizens of Saskatchewan work part-time—it is seasonable—for example, fishing and some timber operations. And that because of the limited capability of earning in that area that sometimes it seems more possible—the circumstances on occasion would make it just more profitable for them not to work.

Senator Quart: Well, it seems to me that it may in many cases but now with the minimum wage going up, how would that affect it?

Hon. Mr. MacDonald: Well, as I indicated, one of the difficulties in that area is seasonable employment.

Senator Quart: Yes, sir.

Hon. Mr. MacDonald: It is not year-round employment.

Senator Quart: You also mentioned lowering the qualifications or training under Manpower. Have you found that there was any resentment from non-

Indians, let us put it that way, regarding giving the advantages to the Metis and the Indians? Has there been any resentment at all?

Hon. Mr. MacDonald: Well, senator, I think the people of Saskatchewan realize that this is one of the most severe problems in Canada, and certainly in the province of Saskatchewan. They also recognize that 8% of our population is of Indian ancestry and that it is going to be necessary—our target was so low for quite awhile—it was 5% now it is 7%—and I am sure—perhaps there may be a degree but it certainly hasn't been pronounced and both the private sector as well as the public sector has co-operated extremely well in this particular task and this particular drive of ours.

Senator Quart: Have the Indians shown any pride in the productions of Louis Riel for this Canada centenary?

Hon. Mr. MacDonald: You are referring to the dramatic presentation?

Senator Quart: To the dramatic presentation of Louis Riel, yes.

Hon. Mr. MacDonald: Well, I think that one of the things—and I certainly think that you have had a presentation from the Metis Society of Saskatchewan—you will note that there is a real marked growth of pride in their own affairs, in their own background and their own culture in Saskatchewan, and I should think that the production of Louis Riel would contribute to that.

Now, I couldn't make any valued judgement as to the extent, but I do know there has been a very marked and pronounced improvement in the pride of their own background in Saskatchewan.

Senator Quart: Well, I think Louis Riel's role was played by a relative and I believe I met him.

Hon. Mr. MacDonald: Mr. Morrissey tells me that that is correct, senator. I wasn't aware of that.

Senator Quart: Do you know whether it was a nephew or something?

Mr. Morrissey: I am not entirely sure of the relationship but the first year of the production during the Centennial Year—was the first three weeks of the production—the part of Louis Riel was played by a Metis chap whom I believe was related.

Senator Quart: Do you know anything about the library in Prince Albert especially set up for the Indians?

Mr. Morrissey: No, I don't, senator.

Hon. Mr. MacDonald: Unfortunately, senator, I don't either.

The Chairman: I have a couple of questions that I would like to put to you. First, just let me say this. Dr. Adams who appeared before us was here last week and had some meetings with members of the Government and in some notes I have here the main concern of the group appeared to be discrimination against the Metis people. That is not new because they have expressed that before.

As far as the placement services are concerned, the most repeated complaint was that the Metis people are only referred to casual or seasonal work rather of a menial nature. They find that even after training they cannot get what they call decent jobs.

Now, this is dated April so it is very current and then they say as to the Canada Manpower Training Program, that they feel that the present course doesn't offer the Metis people in northern Saskatchewan what they need. They also complained that the wide-range achievement test administered isn't culture free for the Indians.

Now, I bring these to your attention without any sense of criticism but merely to say. . .

Hon. Mr. MacDonald: I would like to comment on that if you don't mind—senator?

The Chairman: By all means.

Hon. Mr. MacDonald: Number one—I think that this is in all probability a truth when Mr. Adams says that, particularly in the private sector where a certain degree of skill and training is required; but the majority of jobs that might be obtained would be in the field of casual or temporary labour. As far as the government service of the civil service program—I am speaking in relation to my own department—this is anything but accurate.

We have many of our native people now who are welfare workers and doing a job in the field. They have a regular caseload of their own and we have them in clerical staff, and as nurses aides in georatric centres and we have them in practically every institution in the province.

They receive exactly the same salary. They go on a training period for a certain amount of time and then by policy of the Saskatchewan Government and the training program is complete and a vacancy occurs in a permanent establishment, they must be transferred to that permanent establishment on that job.

In relation to the Civil Service for that Province of Saskatchewan, it is not the fact that they do receive a different kind of a job or different kind of treatment. In fact, they receive the regular jobs and are doing a very commendable job. In my own department, in the Meadow Lake region, in one community out of 22 workers, we have 12 of Indian ancestry and these were doing a regular job.

However, in the private sector, this is one of the difficulties that we do have and that is getting them to develop the skills and the technical knowledge that would give them a better calibre of job.

In relation to the Manpower Training Courses which are not necessarily suited to the needs of northern Saskatchewan, I think in all probability this is true also, senator.

We have been attempting to concentrate in the north-western part of the province and in northern Saskatchewan on basic literacy upgrading and getting them ready for Canada Manpower courses so that they would be then available perhaps to take advantage of them, and I think it might be of real service if Manpower did examine the kind and type of courses that are available in order that people who are a disadvantage people, not only of native ancestry but right across Canada, could take advantage of the Manpower programs in a more efficient manner.

The Chairman: I believe you mentioned earlier—I believe it was for the year 1969 or 1970 that you had 40,000 people on welfare?

Hon. Mr. MacDonald: 45,000.

The Chairman: What was that last year, do you know?

Hon. Mr. MacDonald: No. I would say that there was probably a three or four thousand increase.

The Chairman: This year?

Hon. Mr. MacDonald: This year because of probably the wheat situation in the province.

The Chairman: Do you have the figures for the year before?

Hon. Mr. MacDonald: Our caseload has been very stable for the past few years until this particular wheat situation has come along.

The Chairman: What struck me was this. In 1965-66 you spent twenty-four and a half million dollars. When the Canada Assistance Act came into force in 1966-67 you spent 20 million and in 1967-68 you were 22 million and 1968-69 you were 27 million. What I don't understand is the drop from '65-66 when there was a change in 4 million when the Canada Assistance Act came in and you had a 50 per cent ratio, your cost dropped.

Hon. Mr. MacDonald: Senator, are those actual costs or estimated costs?

The Chairman: Those are actual figures.

Hon. Mr. MacDonald: I'm afraid I can't give you the reason for that except probably the general economic picture in Saskatchewan was very bright at that time.

The Chairman: When did you last revise your rates?

Hon. Mr. MacDonald: In 1956 and the implementation of the Saskatchewan Assistance Act. There has been three revisions of rates, one in 1966, one in 1967 and one in 1970 that has just been completed.

The Chairman: Our information is that you have what you call a Provincial Rate and a Northern Rate—two different rates. A different rate in what you call a Provincial Rate and another what you call a Northern Rate.

Hon. Mr. MacDonald: What we do, senator, as I indicated, is we take into account the local conditions of circumstances relating to the ability to get produce, whether it be fish or something else. This is taken into consideration.

The Chairman: Yes, but your northern rate is higher than your provincial rate.

Hon. Mr. MacDonald: In what regard, senator?

The Chairman: In money. For instance, the information we have is that for one adult the provincial rate has a maximum of 106. For the

northern rate the maximum is 132, then for two, it is 167 plus 209. Those are the maximum rates. One in the provincial as you call them and one in the northern.

Hon. Mr. MacDonald: Well, senator, I don't think those are really accurate. I don't know where you got that information but maybe Mr. Morrissey would like to comment on that.

Mr. Morrissey: I just don't know what to comment on that.

The Chairman: We received this information from your Department in Saskatchewan.

Hon. Mr. MacDonald: May I have a look at those figures, senator?

The Chairman: Yes.

Mr. Morrissey: There is a difference in the way our rates are calculated in Northern Saskatchewan in that we take into account local produce in relation to the food allowance.

Senator Sparrow: Would the reverse be true? Could the rates be lower?

Mr. Morrissey: It could be.

Senator Sparrow: But it would not be higher?

Mr. Morrissey: No.

The Chairman: Well, as I say this is the information that we obtained from the department. I think you could check that.

Hon. Mr. MacDonald: I will check that, senator, when I go home.

The Chairman: Please do.

Hon. Mr. MacDonald: Maybe we are losing some money.

The Chairman: Senator Sparrow?

Senator Sparrow: Mr. MacDonald, your budget for 1970-71 is 24 million. Is that a correct figure?

Hon. Mr. MacDonald: That was for the past year. The estimated budget for this year is approximately 27 million.

Senator Sparrow: What is the total provincial budget?

Hon. Mr. MacDonald: 405 million.

Senator Sparrow: And of that 27 million, what do you estimate the recovery will be?

Hon. Mr. MacDonald: Approximately 50%.

Senator Sparrow: How much money can a welfare recipient earn per week or per month without any deductions?

Hon. Mr. MacDonald: Well, I will ask Mr. Morrissey to give you this. However, what we do is this. First of all, school children can work casual times. In other words, they can work Saturdays and Thursday nights and so forth without any deductions or anything coming from their welfare allowance. Adults 50% up to a maximum and up to a percentage of the total allowance. Actually this is not deductible from their welfare allowance.

Mr. Morrissey: They have no maximum on that. Basically we allow them 50% of their earnings up to a maximum total of 25% of their total budget deficit.

The Chairman: What do you mean by total budget deficit?

Mr. Morrissey: The total amount they can live on.

The Chairman: Well, let us take an example. Let us say \$200.00

Hon. Mr. MacDonald: If a family receives \$200.00, 25% of the \$200.00 will be \$50.00 and they are allowed to keep 50% of that 25% without any deductions.

The Chairman: And that would be \$25.00?

Hon. Mr. MacDonald: Yes. If it was three or four hundred dollars depending on the size of the family, it would vary in ratio. We are now, as a matter of fact, interested in having a look at that.

Senator Sparrow: To increase it?

Hon. Mr. MacDonald: Yes, to re-examine it.

The Chairman: Well, you can't decrease it.

Senator Sparrow: You could! In your program, at a certain time of the year, are able-bodied men and women so called cut-off arbitrary from welfare, regardless whether there is a job available or not?

Hon. Mr. MacDonald: Yes, but with qualifications. For example, what we do is: we have the policy and it has been in effect in Saskatchewan for many years. The first of May, or during the month of April we write every able bodied available person in the Province of Saskatchewan on the caseload a letter stating that jobs are now available in the Province of Saskatchewan and this is the season when employment opportunities are available and we would expect and anticipate that you would now go out and try to find a job to become self-sufficient and to get off the welfare caseload and if you are unsuccessful, you may re-apply.

This means that every employable or every able-bodied man must go out and demonstrate to us that he has made a legitimate effort to find employment in the Province of Saskatchewan and he must demonstrate through Manpower or the employment office and employers and so forth and if he is unable to obtain employment and has demonstrated a legitimate effort then he is certainly eligible again to receive assistance. We consider that excellent therapy.

What it does is one year it takes an able bodied person and it says to him—re-examine your position. Are you to be a permanent case member of the welfare role or are you now going to take this position and re-examine your position and go out and make every effort to become self-sufficient?

For example, if there are no jobs available and he comes back and re-applies he demonstrates that he has made legitimate effort, the assistance is provided.

Senator Sparrow: And what time of the year does that letter go out?

Hon. Mr. MacDonald: The letter is dated May the first and the cut-off is June 1st.

Senator Sparrow: Is that the only time then that so called able-bodied people are cut-off? I mean, not December 1st?

Hon. Mr. MacDonald: That is the only time the policy is in effect.

Senator Sparrow: In all cases?

Hon. Mr. MacDonald: If there is an able bodied person, an individual worker they feel the individual circumstances—that jobs are available and they refuse to take them—the individual worker may take take a conscious decision that she must force him to take that position or to take the rehabilitation process but it is not a general policy of the Department.

Senator Sparrow: How does the recipient appeal this decision?

Hon. Mr. MacDonald: We have two levels of appeal in Saskatchewan. One we call the Local Appeal Board, which is set up in the region, which is a regional appeal board and there are 11 regions in the Province of Saskatchewan. If they are unsuccessful in their appeal at the local level, we then also have a Provincial Appeal Board, which is a further appeal. In the interim, during the appeal, the assistance is continued.

Senator Sparrow: How does the recipient get to the Provincial Appeal Board?

Hon. Mr. MacDonald: Merely by writing a letter.

Senator Sparrow: And do they attend or is this done strictly by a letter?

Hon. Mr. MacDonald: They attend the Provincial Appeal Board and they can bring a lawyer, a consultant, an advisor, a minister, teacher or friend or anyone to speak on their behalf as well as themselves.

Senator Sparrow: To Regina?

Hon. Mr. MacDonald: To Regina.

Senator Sparrow: And who pays the cost of that?

Hon. Mr. MacDonald: They do.

Senator Sparrow: The recipient does?

Hon. Mr. MacDonald: Yes.

The Chairman: You mean the welfare applicant?

Hon. Mr. MacDonald: I believe in most cases this is the case. What I am saying, senator, is we don't have specific provisions in the Saskatchewan Assistance Plan for this, but they could certainly apply for special needs.

The Chairman: Well, Senator Sparrow asked you if it was only in Regina and you said yes.

Hon. Mr. MacDonald: Yes.

The Chairman: Well, there are so many great distances in Saskatchewan but you did mention the fact that there was 11 regional appeal boards.

Hon. Mr. MacDonald: Well, senator, we have a local appeal board.

The Chairman: This is a provincial board?

Hon. Mr. MacDonald: Yes.

Senator Sparrow: And at the regional level—the 11 regional appeal boards—there is a voluntary group that serves on that appeal board?

Hon. Mr. MacDonald: Yes. They are all independent people with the exception of the secretary, or the regional welfare director.

Senator Sparrow: Then, if they are not satisfied with that appeal they must go to Regina to appeal to the Provincial Appeal Board?

Hon. Mr. MacDonald: Correct.

Senator Sparrow: And they must pay their own costs?

Hon. Mr. MacDonald: Correct.

Senator Sparrow: How would a welfare recipient find the money to travel to Regina?

Hon. Mr. MacDonald: Well, as I said before, they could apply for special needs. I'm just saying that there is no provision in the Act for this at the present time.

The Chairman: Has anyone ever applied?

Hon. Mr. MacDonald: I would presume so, senator.

The Chairman: Well, do you know?

Hon. Mr. MacDonald: Well, senator, as I said earlier . . .

The Chairman: This is rather important because we have complaints here that they have to go from a welfare office to some other place in the larger cities and have to pay .25c for car fare or bus fare, each way and it adds up. 25 up, 25 down that's 50c—it

adds up. But, moving on to Regina from—I don't know where—but it seems to me to be quite a colossal undertaking for a person on relief.

Hon. Mr. MacDonald: I would suppose it is, senator.

The Chairman: Well, let us' just drop that for the present.

Senator Sparrow: Just one other question. Mr. Chairman, I just forget what I was going to ask . . .

The Chairman: Well, I will just put one in and you think about it. You said that while he is making his appeal he does not get cut-off.

Hon. Mr. MacDonald: That is correct.

The Chairman: Fine. And now the man who receives a notice on the first of May, is told that he will be off welfare or assistance on the first of June—that is the way it is?

Hon. Mr. MacDonald: That is correct.

The Chairman: At the first of June he is cut-off?

Hon. Mr. MacDonald: That is right.

The Chairman: He is cut-off welfare.

Hon. Mr. MacDonald: That is correct.

The Chairman: He has a wife and six kiddies, but that doesn't make any difference at the moment.

Hon. Mr. MacDonald: That is correct.

The Chairman: He goes to the Manpower and he does every conceivable think that a' man can do and two weeks later he comes in and he says "I couldn't get a job". How does he live between the first of June and the 15th of June?

Hon. Mr. MacDonald: He is paid his welfare allowance in advance from May 1st which covers the month of May and if he hasn't found a job by the 1st of June he comes back to see us on the first of June, senator.

The Chairman: Well, you say to him—"You are off on the first of June, go out and get a job".

Hon. Mr. MacDonald: No, senator. We say that you don't receive your June welfare cheque unless you come in and re-apply.

The Chairman: I see.

Hon. Mr. MacDonald: He can come in and re-apply on the 20th of May or the 25th of May and say "Look, I have been unable to get a job. I have made every conceivable effort to find employment and now I have been unsuccessful and I am going to need assistance."

The Chairman: So you don't leave him out on the limb at any time?

Hon. Mr. MacDonald: No.

The Chairman: What do you call or what do you consider to be an effort or a reasonable effort on his part? An application to the Canada Assistance Plan or Manpower? That is the only outlets he has in general except on his own.

Hon. Mr. MacDonald: That's right.

The Chairman: He says "I have applied to Manpower and they couldn't find any spot for me".

Hon. Mr. MacDonald: That's correct.

The Chairman: Is that the answer?

Hon. Mr. MacDonald: That's right. But we would expect him as well to give us a list of private people that he has endeavoured to contact and in most cases in the regional offices there would be a great deal of knowledge of employment opportunities and all we would expect him to do is to demonstrate that he has made a legitimate effort on his own behalf to do so.

I don't think there is any challenge made of what that legitimate effort is. If he is sincere, and in most cases most of our regional people know the employment opportunities and the available employment in that community—they are in contact with Canada Manpower and know if jobs are available and so forth—and we really have had very, very few—in fact I can't ever remember a complaint.

The Chairman: What has been your incidence of success?

Hon. Mr. MacDonald: I would say that in a normal year in the Province of Saskatchewan we would probably drop 1500 cases.

The Chairman: For how long?

Hon. Mr. MacDonald: Probably until the fall, until the temporary or casual employment season is over.

The Chairman: Wouldn't you drop that normally because of the casual employment that you have at that time of the year in the farming district in particular?

Hon. Mr. MacDonald: Well, I don't think normally we would drop that many at that specific time, senator. I think over the period of the summer months that gradually the caseloads would be reduced because people would be finding employment and searching for employment opportunities and they would gradually be reduced. We try to put a little onus on the individual.

The Chairman: Yes, we understand that.

Senator Sparrow: We found in most parts of the country the people who require assistance or who are on it, find it very difficult to find out what their rights are under the Provincial Act, such as the rates they are entitled to, and that there are in fact appeal boards that they can go to and so forth. Does your department inform the people, and if so, how?

Hon. Mr. MacDonald: Well, Senator Sparrow, I think this is a very legitimate complaint for welfare recipients across Canada including the Province of Saskatchewan. We have attempted to make a major effort to inform every welfare client about the appeal board and on every application and every refusal, whether it be for any specific item of these, we include in writing the fact that there is an appeal and the method by which the appeal is done.

We have attempted to do this through pamphlets, through education and various other devices to inform the general public about their rights as a welfare recipient. Of course, I think you can appreciate the problem of the welfare recipient in this regard.

If it is a deserted wife or a senior citizen or somebody that has been on welfare over a period of time, they are very familiar with the rules and regulations and they would make it a point to be—but if there is somebody who all of a sudden through a crisis situation comes and applies today, very often it takes

them a considerable length of time before they do become familiar with their rights and their privileges and the Act itself and the regulations.

Even though you explain them and do your best, the interpretation and the understanding is often very limited so I think this is a legitimate concern across the country and I think it is a legitimate concern of every welfare recipient. I know it is of a concern to us and we are trying to make every effort to make sure that our caseload knows the circumstances involved.

We have attempted to set up a foster home group. We are encouraging our clients and our own social workers to go out and meet with the communities and so forth to expand upon this, but it is a very legitimate complaint.

Senator Sparrow: First of all I wonder if you would have any copies of your form with you today and, if not, if you could submit them to this Committee?

The Chairman: Application forms?

Senator Sparrow: Application forms and the brochures to which you refer.

Hon. Mr. MacDonald: I certainly will, senator. We haven't got them with us but we will make a note of it and forward them to your Clerk.

Senator Sparrow: Under the welfare, do you have much organization in the Province of Saskatchewan of associations of welfare recipients such as mother's on allowance that are organized groups?

Hon. Mr. MacDonald: We are actively at this time promoting foster parent associations in all the regions of Saskatchewan. We have now one "SAP" or what we call Saskatchewan Assistance Plan or public assistance planned group in the city of Regina which has been actively working with our own social workers in the regional offices.

This is a relatively new phenomenon in Saskatchewan as it is across Canada, but I do anticipate that there will be other client associations which will develop in the future and as far as I am concerned—for example, we had a Child Welfare Client Conference last fall. We were interested in re-writing and examining the Child Welfare Legislation in the Province of Saskatchewan so we restricted it and we didn't invite any social workers except resource people and they couldn't speak. We invited foster

parents, parents that had adopted children or former wards of the government and former adopted children and they made up the conference and they gave us their thoughts and views in relation to this so as I say, we would welcome this.

I am not thinking of an activist group or a demonstration or parade and I don't particularly want that but I think that client participation and the opportunity of people to feel that they are participating in the decisions that affect them and that they are having an influence on policy and that their thoughts are being made known is becoming more important.

Senator Sparrow: Well, you have answered very well and what you are saying is that you are encouraging this type of thing?

Hon. Mr. MacDonald: Yes.

Senator Sparrow: Are you prepared to encourage these organizations to the extent of helping them as an organization financially?

Hon. Mr. MacDonald: We have had no request at this time, senator. I have personally considered a ramifications of this and the possibility of it but we have not had to make that decision yet and I presume that that would be a government decision that my colleagues and myself would have to make.

The Chairman: I am informed that the Metis have asked to provide 10 Metis social workers to cover their own people in Saskatchewan, and are asking you and the federal department to provide the money. They haven't any idea of how much it would cost but there was some figures given on it. They made the application for your department and the federal department to make that available.

Hon. Mr. MacDonald: Well, senator, as a matter of fact they haven't approached me for a financial request to this date. I do wonder—that they have approached the federal government and I am hoping your good colleagues down here will pick up the whole tab.

Senator Fergusson: I think it is interesting the organizations that you have been encouraging but do you have any organizations of tenants in public housing?

Hon. Mr. MacDonald: No. As a matter of fact, senator, I don't believe we have to date to my

knowledge. Public housing is a relatively new phenomenon in Canada and I would presume that this may well develop.

Senator Fergusson: We have come across some of it.

Hon. Mr. MacDonald: Well, I haven't heard of it.

Senator Inman: I was wondering if the welfare recipients attempted to take any part in community life and did you encourage that?

Hon. Mr. MacDonald: What we are attempting to do now is we have planned representation on our provincial appeal boards and I have asked all the regions in Saskatchewan to put client representation on the local appeal boards. I do believe that this depends to a great degree on the clients themselves and some of them are quite active in the community.

The Chairman: The farmers participate in Saskatchewan up to the Parliament Building!

Hon. Mr. MacDonald: Yes, on occasions. On the whole I think that there is a feeling of alienation upon most welfare clients, but they don't actively participate in all community affairs. I would think this would include our own province.

Senator Fournier: Well, most of my questions have been answered and pretty well discussed about welfare but I would like to know how do you find the needs and essentials?

Hon. Mr. MacDonald: I beg you pardon?

Senator Fournier: How do you define the essential needs?

The Chairman: Define—is that the word you mean?

Senator Fournier: No.

The Chairman: Differentiate?

Senator Fournier: Yes.

How do you differentiate between the need and the essentials? We have found out that welfare groups are limited to the essentials and there is a big difference between the essentials and the need.

Hon. Mr. MacDonald: Well, senator, I think this an accurate interpretation of our own program. What

we do of course is our allowances are related to essentials—to rent, lights, utilities, clothing, household goods, comfort allowances and so forth, and are set out in the program; but we do have a provision in the Saskatchewan Assistance Plan whereby it is possible for any client to apply for a special need related to furniture, improvement in housing, repairs and this kind of thing.

It is a rather substantial portion of our expenditures. I couldn't tell you really or evaluate just to the degree in which this satisfies the desires of the clients themselves.

Senator Fournier: Another question has to do with the north. In the far north and that rugged country which you mentioned, what would be the population of that particular area?

Hon. Mr. MacDonald: My confrere tells me it is approximately 60,000.

Senator Fournier: How many would be white and how many would be of Indian descent?

Hon. Mr. MacDonald: As I say, senator, I can't be accurate on that particularly in relation to our own role—

Senator Fournier: Is it mostly of Indian descent?

Hon. Mr. MacDonald: Quite a substantial majority would be of native population.

Senator Fournier: Well, here is something to think about. Let us take it on a 50-50 basis—say there is 30,000 Indians in that region on which we have been spending a lot of money. They have been living quite happily until we disturbed them and now we are spending a lot of money trying to educate them and once they are educated we bring them to our cities, Regina and Winnipeg, etc. where they are not wanted in the first place and where they are not required because these centres are already overpopulated.

They become public charges in many cases and cost the government and taxpayers more money until they have their first and possibly last ride in the Cadillac, and so wouldn't we be better off to leave these people alone and pay them above the poverty line and keep them the way they have been living?

Wouldn't it be better that way to keep them living where they are, where they are happy and not

disturb them too much? Is the effort worthwhile trying to bring them to our level, which has been most unsuccessful so far, and I don't think in our civilization we have anything to be proud of and don't you think we should do it the other way sometimes?

Hon. Mr. MacDonald: Well, first of all senator, I don't think we can build a wall and shut the door. I think in Canada that our people of the north Saskatchewan and native people in all parts of Canada have the right to move into the cities—

Senator Fournier: I was not thinking of building a wall, but what we are doing now is spending a lot of money to encourage them to move down.

How Mr. MacDonald: Well, first of all senator, I would think that this is a wise expenditure. The increasing population, particularly in my own province—we haven't been very successful by setting off our native people in whatever you want to call them—reservations or whatever they might be—we haven't been very successful in solving the problem.

I do believe that we have to give them access to our own communities and our own way of life, if they so desire. We have to provide a training in skills, particularly for the young people. We have to provide for them a standard of living and we have to provide health privileges, education and so forth.

I do think it is worthwhile. I do think that this is the only solution to the problem and I think at the same time we have to try and retain their culture and background to their own desires, their own aspirations, but I certainly think it is worthwhile and I would hate to say that we would leave them and not include them, and discourage them. And not encourage them. I'm not sure whether or not that answers your question, Senator.

Senator Fournier: Well, it does and I was interested in your views on that but I don't agree with you when you mentioned about building a wall.

I would agree, however, that we should bring them above the poverty level so I am thinking whether it is all worthwhile.

I had the opportunity to visit some countries of Africa who were spending fortunes in trying to develop these different countries, like the Congo, etc. and since I have come back I don't know whether or not it is worth all the effort. When you

read what is happening in the Congo and some of those other places I don't know whether it is worthwhile and maybe we have the same situation.

I wouldn't leave them starving by any means, but just put them above the poverty line and leave them happy.

The Chairman: Yes, Senator Fournier, you have made that very clear.

Senator Pearson: I was interested, Mr. Minister, in your statement on Page 58 of your brief when you talk about the sale of farms—the number of farms has gradually been disappearing in total number but getting larger and larger. You get down to commercial farms there and you have 2,800 sales in 1966. At the present time in what area do you find the greatest number of half-section or quarter-section farms in Saskatchewan.

Hon. Mr. MacDonald: I would say the north-eastern part of the province.

Senator Pearson: The north-eastern?

Hon. Mr. MacDonald: Yes. I am thinking in around Yorkton, Kenora, Kamsack, Wynyard, in that area of the province.

Senator Pearson: Is this where the biggest sale is going on of these small farms?

Hon. Mr. MacDonald: Well, I would say this year, senator, that it is very difficult to sell any land.

Senator Pearson: At the present time?

Hon. Mr. MacDonald: Yes. I think the small farmer has remained more stable in that area of the province than in other areas. It seems to have been more diversified and the sales have been going on in other parts of the province and that section has remained more stable.

Senator Pearson: I see. I understand that a number of these small farms have been having difficulty in buying machinery now and that they are getting to the point where they are not going to be able to function on these farms.

The question is what is going to happen to them? Are you going to be able to take care of all these people who move into the cities? This is a hypothetical question but still it is a possibility if this thing continues.

Hon. Mr. MacDonald: Well, first of all senator, we will have to look after them—number one and number two is the question today whether or not it is desirable to move the small farmer in—particularly if he is 55 or 56 or 57 and he doesn't have the academic background or the technical skills whereby he can become a citizen, so perhaps it is better off to leave him in the farming area and help him in that situation.

These are part of the problems that we are having to face in Saskatchewan in relation to the farming community. I would hope that the farming situation would improve in Saskatchewan and that we will sell some wheat and this situation will be short lived. However, we may well have to face the situation to which you have referred.

Senator Pearson: In your potash plants that have been scattered around in Saskatchewan, a great number of the people employed at those potash plants have been local farmers. Has a shutting down or the slowing down of the potash industry, thrown a monkey-wrench into the business there and caused unemployment?

Hon. Mr. MacDonald: Well, as you know senator, we have put potash exporting on a pre-rationing basis—

Senator Pearson: Yes.

Hon. Mr. MacDonald: —Which has really reduced very substantially the employment locations of the slow-down in the potash development. I think you are probably aware that there is an expansion each year on potash sales and marketing. The last 18 months there has been 7 new mines on screen in Saskatchewan—6 or 7 mines but the majority of the new mines have come on-screen and all of a sudden from 3 mines we have jumped to 10 and the production has out-stripped the market.

We do anticipate that this is going to be short lived—certainly we hope so—but pre-rationing has certainly removed a great deal of the serious employment implications for the mines and now most of them are producing and they are all working—not to full capacity—but they are working on a year-round operation and employment lay-offs have been very limited.

Senator Pearson: Does that hold true also with the pulp mill in north Prince Albert way?

Hon. Mr. MacDonald: The pulp mill in Prince Albert is going like a house on fire, senator. It is setting new records in production and selling every ounce of pulp that has been produced.

The Chairman: Do you know to whom you are reclaiming that!

Hon. Mr. MacDonald: That is why I said it, senator.

Senator Pearson: The last question I would like to ask you is, how is my good friend Father Murray?

Hon. Mr. MacDonald: Very good, senator.

Senator McGrand: I was going to ask the question that Senator Pearson asked, but he got ahead of me. Saskatchewan is not a heavily industrialized province and heavy industry is usually located in urban areas. Can this industrialization in the larger centres meet the needs of expanding population, both from the number of your native people that you are training and take into the city to look for jobs, and from the farmers in the low income areas that are moving in at the present time? Is the capacity for industrialization in Saskatchewan capable of meeting those two forces coming at them?

Hon. Mr. MacDonald: Well, senator, I certainly hope so. I think the future of Saskatchewan is a very closely related to resource development and there has been a very major expansion in resource development in the past few years; as you know in the potash industry, in the pulp industry. Simpson's timber mill in Hudson's Bay has just expanded and McMillan Bloedel is going in there and in the north—the timber now for the first time in many, many years in Saskatchewan is being harvested.

We have a great deal of mineral explorations in the north. We do have some very serious problems in relation to industrialization and I refer to freight rates, large distances from markets and this type of thing, but we do hope that Saskatchewan has the opportunity.

Senator McGrand: On Page 61 of your brief you say that in comparing the income of a farmer with a salaried worker, the farmer starts out with a 30 p. cent advantage because of a lower cost of living.

Now, where you have low-income farmers with that 30 p. cent advantage in the cost of living as compared with a salaried worker which do you

consider the best way to fight low-income or poverty, which ever you want to call it? Would it be number one—by giving these people on the low income farm, which is usually I should say a mixed farming proposition,—a cash subsidy—I won't say annual income but I will say cash subsidy to say there or to pay him to be trained or retrained or move him to a large centre? Which is the better way or can you use both?

Hon. Mr. MacDonald: Well, I would hope, senator, that we would use both. It would depend upon the age and the background of this particular individual and his capacity for re-training and re-learning and also it would depend upon his capacity for rehabilitation in the farm life itself and so forth. I would hope and suggest that we would use both in the future.

I would hate to say that we would be restricted to one and say to every farmer you know "You have to go" or that we would have to say the reverse.

Senator McGrand: Personally I don't see any objection for giving a person a subsidy to stay on the land if it solves the problem. People object to subsidies but we all get by on subsidies, don't we? The re-training of a person is a subsidy, and under unemployment insurance a man is getting a subsidy; workmen's compensation is a form of subsidy and even people on holidays with pay is even a subsidy and member of Parliament and some of the rest get increases in salary—not because they do more work—it is a subsidy to meet the cost of living, isn't it? I don't see this objection to subsidies.

The Chairman: What's this strange thing, talking about members of Parliament getting more pay? That was in 1963 and there is no use dreaming!

Senator McGrand: However, Mr. Chairman, I don't object to this word "subsidy".

Senator Inman: On Page 33 you speak of unwed mothers. I was connected with a hospital for three of four years and from practical experience I know that sometimes it is a very sad thing to see these girls bitterly weeping about having to give up their babies but you say you are exploring supportive services. I'm interested to know what you are thinking of doing?

Hon. Mr. MacDonald: I would tell you, senator, that we are just beginning this program, as of the 1st

of April. I have come to the conclusion and I think my department has come to the conclusion and I think the advice we have received from clients or unwed mothers has indicated that there is a changing attitude toward the unwed mothers in Canada and in society as a whole.

Where it used to be the policy of most areas to actively encourage women to give up their children—for example, we have just put in a new policy in Saskatchewan of accepting applications for single parent adoption. If we are going to accept applications for single parent adoptions then certainly unwed mothers should have the same right and privileges to keep their children.

Now, if this is going to be possible then certainly supportive services are going to have to be developed to make this possible. We have just gone into a new program on Day Care Centres which is one supportive service we hope will assist in this regard.

We have given one region of our province the responsibility of developing an experimental program in this regard and to report back to us in a few months so that we can consider it on a provincial basis. As I say, we are just beginning to get into this and it is a philosophical change in our regard, acceptance on our part and we are interested in expanding and exploring supportive services for unwed mothers so that they may keep their children.

Senator Inman: Are you going to try to get employment for these unwed mothers so they can try and keep their babies?

Hon. Mr. MacDonald: Absolutely, and training if necessary.

Senator Inman: Yes.

Hon. Mr. MacDonald: Assist them in getting training and providing home-maker services and things of this regard. I think these are the kind of things that we are exploring.

Senator Inman: I think that you should be congratulated on that.

Senator Sparrow: Under your Assistance Plan to make monthly payments at the beginning of the month, that is one cheque to which you were referring?

Hon. Mr. MacDonald: Yes.

Senator Sparrow: The majority of people in Canada are paid either weekly, bi-weekly or half-monthly. I appreciate that there would be greater administrative costs by issuing more than one cheque per month but isn't expecting a great deal of people who are on welfare with that limited income to have to budget for the full month?

I ask this question in relation to a possibility of provincial transfer. It is on a wider scale and is it really fair to issue one cheque per month and can they really budget that way?

Hon. Mr. MacDonald: Well, senator, I think you have brought up a very legitimate point but we perhaps shouldn't expect these people to be able to budget this way, but I think as you have also indicated it is strictly an administrative technique at this time because cheques are knocked out by a computer and so forth. Perhaps it is too much to expect but at this time our payroll is one cheque per month.

Senator Sparrow: Has there been any consideration to change that?

Hon. Mr. MacDonald: At this time, no, we have not considered that.

Senator Sparrow: Would it be advantageous if it were changed?

Hon. Mr. MacDonald: I think you have a good suggestion and in all probability it would be. I am not sure what the complications administratively would be. I think it might be possible.

Senator Sparrow: The rates were increased, and I will just use this figure of food raise for adults from \$28.50 to \$32.50. Is that correct?

Hon. Mr. MacDonald: Yes.

Senator Sparrow: Exactly when was that?

Hon. Mr. MacDonald: I believe it was effective in the fiscal year and the first payment would be the first of May.

Senator Sparrow: This is rather a difficult question but do you feel that the rates are adequate that are being paid in the Province of Saskatchewan? Now, I ask this in relation to the incentive aspect because there must be an aspect between pays and incentive,

but at this point in Saskatchewan are those rates high enough?

Hon. Mr. MacDonald: Senator, I would think that they were adequate to meet the basic needs. For example, I think two people now receive \$60.00 a month for food. Now, I know that they are certainly not going to live in luxury. They are not going to be able to eat steaks and things like that but I do believe they can get by and the very great difficulty is, of course, the correction of incentive and what about the fellow that has the large family and is independant and works hard and doesn't make more?

I do believe that we have attempted to examine our schedules periodically and they are now very comparable with our sister provinces of Manitoba and Alberta so I would say they were adequate. However, they are certainly not generous.

Senator Sparrow: Are there people in the Province of Saskatchewan then who should be receiving some assistance who aren't receiving any? Are there some groups of people that are not covered under your system?

Hon. Mr. MacDonald: Well, I think certainly people on the minimum wage, if they have large families. There are people that are in need. I do believe that certain groups of the workers—and I can't give you a salary schedule and I can't think of anybody except perhaps in this area that would depend upon the size of the family and so forth—it is always very easy to say a person can get more on welfare than they could on something else but you have to pick out the exceptions—the person with the large family because welfare allowances are directly related to the size of the family but it also works in the reverse.

Senator Sparrow: If a man who is on the minimum wage who is working now for \$1.25 per hour—you won't supplement his income if he has been on that minimum wage for 3 years?

Hon. Mr. MacDonald: No, we wouldn't.

Senator Sparrow: But if he is part-time or seasonal then you would, is that correct?

Hon. Mr. MacDonald: Absolutely.

Senator Sparrow: So that that person, who has five or six children and his income level is \$1.25 per hour, would be better off on welfare?

Hon. Mr. MacDonald: Not of necessity, Senator Sparrow. It would depend upon where he lives, the amount of rent that he has to pay, the amount of utilities and what his specific allowance is. Not only that but we have a policy as Mr. Morrissey has indicated, which I think is one which is acceptable that we would only pay 95% of what his normal earning capacity would be.

Senator Sparrow: Even though his earning capacity was in fact \$1.25 an hour?

Hon. Mr. MacDonald: That is correct.

Senator Sparrow: Now, in other words you feel that the assistance is in fact adequate and would you be suggesting that no other transfer type of payments are in fact required for the Province of Saskatchewan?

Hon. Mr. MacDonald: Well, I just want to make sure I don't turn down any money! Certainly I think that there is an area whereby people who are getting established on low income, that incentives to a certain degree—in other words I am thinking of the welfare client, the person on a low income with supportive services for a period of time—would be advantageous and I would think that these should be explored.

I am thinking of an unwed mother who is going out and getting a job and this unwed mother getting a job, for the first period of time until she receives adequate training—and they only earn \$200.00 a month and yet she is working full time for \$150.00 or whatever it may be.—I think supportive services should be paid to her until such time as she can get on her feet and get established. They should be in the relation of support rather than permanent.

Senator Sparrow: Your budget for welfare is about 7% of your provincial budget but it would appear that a number of the provinces—although we haven't seen them all—are higher than that. Nova Scotia for example is around 11% of the budget and so on. Is that because they have more people at that lower income level or do you have facts and figures from all of the provinces in this regard?

Hon. Mr. MacDonald: Traditionally Saskatchewan has had a very low unemployment rate, as you are aware, they have probably over the past 5 years on an average, they have probably had the lowest unemployment rate in Canada, and this is with the

exception of this year, even though at this year I think our unemployment level is not higher than other provinces in Canada.

I think this is related to it as well. There are areas of chronic unemployment in parts of Saskatchewan but not in comparison to other parts of Canada. Our employment picture seems to be more steady, more stable.

Mr. Morrissey: The figures you referred to there, senator, represent our Saskatchewan Assistance Plan Budget but the budget for the Department of Welfare is about 10%.

Senator Sparrow: Where do you get the total of 10?

M. Morrissey: The total for our Department is about 10%. The total budget for the Department of Welfare is about 10%.

Senator Sparrow: This would include jails?

Hon. Mr. MacDonald: Jails and correctional services, child welfare services and other programs.

Senator Sparrow: 7 p. cent though on the public assistance plan as such?

Hon. Mr. MacDonald: Yes.

Senator Sparrow: Under the jail system in Saskatchewan, you developed a new program you have a name for it which just escapes me—

Hon. Mr. MacDonald: There are many names for it!

Senator Sparrow: I don't mean the difference between good and bad and so on but perhaps you might just explain it for a moment and how it is working?

Hon. Mr. MacDonald: Yes, senator, I would be glad to. It is called a Family Therapy Unit. What we have conceived in our correctional program is that one of the major difficulties is that when any individual is sentenced to a correctional centre in the province of Saskatchewan there is a family crisis that is generated and if there is a hope to rehabilitate him and get him back into community, it is also very closely related to the family situation.

We have built a duplex on the grounds of the Regina Correctional Centre, which is a very modern home, whereby it permits a wife and the children to come and visit the inmate and the inmate then is permitted to go and visit and live with his wife and his children or his mother and father—not necessarily the husband and wife but it could also be a young inmate of 15, 16, 17 or 18 who has a family breakdown with his parents or parental authority and his parents are permitted to come and visit with him.

While that visitation is taking place, we have a family therapist, who is a social worker, who then counsels and works with the inmate and his wife and his children or the inmate and his parents in trying to bring them together and make it possible for them to return to a normal family situation when he leaves the correctional centre.

We have considered this a very successful program. It has been in operation now for about 18 months and we are now in the process of building a new unit on the Prince Albert grounds, where the majority of our married inmates are located, because the Regina Correctional Centre is mostly young inmates and not too many of them are married and we decided to start it off on a limited basis. We are encouraged with the program and we are moving it now to the other correctional centre in Prince Albert and we think we have had some very positive results although it may be a little early.

Senator Sparrow: Have you established a direct relationship between poverty and crime as such in the Province of Saskatchewan?

Hon. Mr. MacDonald: I certainly believe that there is a degree of relationship between the crime and poverty. However, I haven't seen any authoritative sources for it or specific surveys done in this province.

Senator Fergusson: I also had in mind when you speak about the unwed mothers—I was interested in a plan to provide supportive services for them and I think we would be very interested to find out how this works out and what you really develop in your plan.

I also would like to have you elaborate a little bit more on the Day Care Centres. This idea of having day care services included as a basic need under the Saskatchewan Assistance Plan—I don't know if we have come across this in other provinces but I think

it is wonderful that the Canada Assistance Plan is wide enough to take care of this; and I am so glad that you have accepted and made use of it because I came across a group of women who had an organization and who were taking summer training and they were receiving some assistance under the plan and it made all the difference to the world, because otherwise they could never have possibly attended these courses without having these day care services paid for because they just couldn't leave their children.

You say you are giving some help to these day care centres so perhaps you know—or perhaps you don't—that a great number of the briefs that came to the Status of Women Commission stressed the need for day care services. You say you are providing starter grants and operational grants.

Are these to private enterprises who are setting up day care centres or are you setting up day care centres of your own?

Hon. Mr. MacDonald: These are to private and volunteer agencies who have established day care centres. At this time this program is also a brand new program announced on April 1st and we are now drawing up regulations and hope to make it operational on the 1st of July. Number one—our intention is to provide a starter group which would encourage the initiation of day care centres.

Senator Fergusson: They are large enough to be an encouragement, are they?

Hon. Mr. MacDonald: I don't know exactly what it is but I think it is up to a maximum of \$40.00 per child and this is for equipment, for chalk, for blackboard and pictures and so forth but it is not intended to build a capital facility in any way, shape or form.

The operational grants are in two areas. First of all, we are providing a universal grant to every day care centre for every child space. In other words a grant of \$5.00 a month—it isn't intended to be a major grant—which will then permit us to set up a standard, inspection and supervision of it then in order for them to qualify and to license them.

Then we are setting up a third aspect of the operation that we then subsidize according to needs. Any family whether they are on welfare or not, up to 50% of the total cost.

In other words if any family receives \$5,000.00 or \$6,000.00 then it is a little too much for them to qualify for public assistance and yet they don't earn enough money for them to use the day care centres, then we would through a simple disposable income chart, which we are giving to the day care centres to administer, they could get them up to 50% of the cost of the day care centres.

This is the way we are operating it. At the present time we have approximately 400 spaces,—day care space in the province. We would hope that in the first year that there would be an expansion of about 75% of those spaces.

Senator Fergusson: I am certainly very interested in the plan. I have just one other question, Mr. Chairman . . .

The Chairman: Please go ahead.

Senator Fergusson: Well, I realize it is getting late.

The Chairman: Please continue.

Senator Fergusson: I like very much your statement on Page 54 and 55 in Paragraph 91. You say:

No one approach is the long sought after panacea.

You also say:

"Many things make up part of the answer"

and then you go on to say:

"A very big part of the answer is changing public attitudes. Unless the public is behind the attack on poverty, the attack will fail.

Do you think we are making any advance in changing public attitudes and are you making any effort particularly in your province to changing the public attitudes?

I would like to say that even now after all the publicity that has been given to poverty and that sort of thing many times when I am talking to my friends and even those who are not perhaps, they ask me "Well, what are you working on now?" and I say "Well, I am working on the Poverty Committee" and they say "Well, you are crazy". The public attitude towards it is "Well, you can't do anything about it so why waste your time?" What can we do to change the attitude of the public? We are all convinced that it must be done but—

Hon. Mr. MacDonald: Well, senator, we also make the statement in the brief that we are making war on the poor, not on poverty. This has probably been one of the biggest things that has concerned us most in my tenure as Minister of Welfare in Saskatchewan and that is: that the great vast majority of people have a very negative attitude about welfare.

They feel that everybody on welfare is a bum, a tramp and so forth and we have tried to provide statistics to show that only a very small portion of the public systems recipients are potentially employable and that the vast majority are the aged, the senior citizens, the sick, the disabled, physical and handicapped people.

Unless we can get people to recognize that—Certainly abuses exist in welfare on occasion. We know that very often there is a lack of incentives and ambition on the part of certain recipients across the country but the social workers are doing every possible thing in their power to see that this is reduced to a minimum, to encourage these people to get back to work, under very adverse conditions because of the public attitude.

I really don't know what the answer is myself. It has given me a concern and I would hope that the committees of this kind and the publicity that they receive would make contributions in this regard.

The Chairman: I have a question just to follow along with what you have said. In speaking to Senator Sparrow you spoke about the adequacy of the allowance in the Province of Saskatchewan. In part of the brief you took note of what the Economic Council has laid down as a poverty line.

A man working in Saskatchewan, earning the minimum wage, would earn approximately \$50.00 a week—that is at a \$1.25 an hour. Take necessary deductions if you like and what do you have left? Do you say that he can get along on what is left and is that adequate?

Hon. Mr. MacDonald: I said it was adequate for the bare necessities, senator, I am not saying that this is generally so and that it shouldn't be re-accessed and periodically improved as often as possible.

The Chairman: When you say that this is adequate for the bare necessities—What the Economic Council is saying is that which was normal in the environment in which they live and under the circumstances in which they live.

Do you realize that in your province at the present time, two adults have a maximum of \$167.00 which is approximately \$1,000.00 less per year than the Economic Council recommends. How, in the light of that, Mr. Minister, can you talk about adequacy?

Hon. Mr. MacDonald: Well, senator, I don't want adequacy misinterpreted. First of all, senator, I think that public housing, good housing and things of that kind are very important and when you start evaluating a standard of living and living allowances and we turn around and look at public housing in the aspects of this kind which are going to improve the lot, they are also pretty important.

The Chairman: They took all of that into consideration when they made up their budgets. They took all of that into consideration and then fixed a sum which, as I say, is far above what you say is adequate.

Let's put another question. Under the Canada Assistance Act the real basis is need. That is the word they used that is the word they put in it.

Hon. Mr. MacDonald: Yes.

The Chairman: There is a uniform tax rate across the country. Everybody pays the same tax rate federally. How do we justify a uniform tax rate without at the same time justifying a uniform need rate? The basic needs we were talking about—food, clothing and shelter—are not luxuries. We pay the same taxes so how do we justify the lack of uniformity in the basic needs of these people?

Hon. Mr. MacDonald: First of all, senator, aren't all taxes in proportion to the income that you are earning?

The Chairman: Yes, but we pay the same uniform rate. You pay the same thing on your income as I do. We are both in need; you are in need and I am in need—I live in Ontario and you live in Saskatchewan. We have the same size family and same circumstances. Why do I receive more in Ontario than you do in Saskatchewan since it is a basic need for food, clothing and shelter. I am not talking about TVs or anything else but just the basic need?

Hon. Mr. MacDonald: Well, first of all senator, I don't know if they would receive more in Ontario than they would in Saskatchewan, so I will be on the defensive there. You may be correct but first of

all even in the Province of Saskatchewan, if you live in a rural community, the federal allowance and the rental schedule, of \$40.00 may be adequate to accommodate 4 or 5 children whereas in the City of Regina that same living quarters might be \$125.00 or \$150.00 a month.

The Chairman: Well, let us talk about food and clothing. Forget shelter for a moment. I know shelter is an item and varies somewhat but let us take food and clothing. Actually by the last reports, your food and clothing costs less than it does in any other place in Canada on the last months' system by D.B.S.

Hon. Mr. MacDonald: You mean the total?

The Chairman: There was a smaller increase in the consumer index in Saskatchewan—

Hon. Mr. MacDonald: That is correct.

The Chairman: It has smaller than any other place for the the last index. Let us assume that that is correct. That it costs less in Saskatchewan—infinitesimally less for the same. Surely you are not suggesting that you are paying out the same allowance that Ontario is or Alberta is for people in similar circumstances? All I want to know is how do we justify it?

Hon. Mr. MacDonald: Well, senator, I would think that first of all I agree that it would be nice to have a national standard but I think that any national standard must also be related to a region. I think the shelter costs for example, in Prince Edward Island or the food costs in Nova Scotia and Newfoundland are not the same in Saskatchewan and it is nice to see that Saskatchewan had the lowest increase in the price of living because, under normal circumstances, that has not been true.

The Chairman: Mr. Minister, the price of food across this country is infinitesimally different from one place to another. We have been around and you can tell that that isn't important at all. You talk about regional differences. Let us just examine it for a moment. There is no variation in our family allowances. There is no variation in our old age security. There is no variation in our unemployment insurance. Medicare comes to us the same in all provinces and hospitalization comes the same to us in all provinces on a uniform basis. Aren't those important services?

Hon. Mr. MacDonald: First of all senator, I will agree with you that food costs should be uniform, that clothing should be uniform but that doesn't necessarily mean that the total allowance should be uniform. Utilities, water, sewage costs, shelter costs—there are many things that make up an allowance over and above food.

The Chairman: But really the difference in hy-drates and the difference in gas rates across the country aren't that great. The only difference that we can see is the difference in shelter. There is a difference in shelter depending upon whether or not you are in a tight boning area or a loose area and the kind of shelter you have. These are the things that we have to grapple with and we say on a uniform basis. It points out to you the uniformity that we now have and it works well too.

All of these things are working well and yet when we come to the matter of food and clothing, such basic essentials of all life, we start varying it depending on where you live in the country. We get the same medical attention, the same hospitalization, the same in everything else with the exception of food and clothing. Isn't there something wrong in our thinking?

Hon. Mr. MacDonald: Yes, senator, I would say that you have a very legitimate argument for uniformity, very legitimate.

The Chairman: And you see, Mr. Minister, we have to get it across to people like you. If we can't get it across to you we can't get it across to the public at all. That is our problem. If there are holes in the argument punch them—but what we are trying to do is come to some kind of solution to break the back of poverty.

Senator Fournier: Well, I think I will follow this line of questioning. I come from the Maritimes and we say very often that we give everything to the west and very little to the Maritime provinces. As far as I can see we have two problems; one for the Minister and one for me.

I see your farming problem but in trying to make a long story short I think you did very well for a number of years until the farm machinery and different equipment came in and you called it progress and so on and so on in the early '30's; and really it has just been in the last 20 years when there has been a real boom in machinery.

When the western farmers went after new equipment and so on they called it progress and they were saving money and making money and a lot of people did and now we find that it has been a failure period. Most of your farms are mortgaged. You can't make both ends meet. You have unemployment and you have a huge pile of surplus wheat. Now, that is your problem and I will tie my problem to that.

In the Maritimes when my wife wanted to buy a bag of flour, we still have to pay \$15.00. That is my problem.

Senator Quart: Mr. Minister, do you envisage any trouble—well, one shouldn't use the word trouble, but maybe demands for increased assistance due to the fact that the welfare cheques have been mailed out in order to cope with the impending—which we hope won't be—postal strike.

I understand, and I read a little article in the paper, that certain loan companies were discounting these or whatever they do at a certain percentage. Well, if they get this cash, do you think you will have some trouble?

The Chairman: The best thing you can do is take the cheque to the grocer who might say "Alright, I will take that in advance" but—I saw that newspaper story too, it is laughable.

Senator Quart: It may be, but I was wondering if the Minister had any opinion?

Hon. Mr. MacDonald: Senator, you are referring to the fact that whether or not we are going to have difficulty in seeing that welfare clients get their cheques on time.

The Chairman: No. they have them on time.

Hon. Mr. MacDonald: Oh, in advance.

Senator Quart: Yes.

Hon. Mr. MacDonald: Well, pardon me senator, I misunderstood your question. The welfare client in Saskatchewan will not get their cheques in advance. We are using a package system and bus transportation and delivery service within the rural communities. The post offices are open and I think we are going to have to set up special offices in the city. We are going to have some problems, there is no question about that.

The Chairman: We are going to try to see that you don't. May I say on behalf of the Committee and tell you, Mr. Minister, that this is a thoughtful and constructive brief. You have done a great deal of work to put that together. You have made it interesting reading and it contains a great deal of information. In that way we think we have both profited. Thank you very much for coming down.

Hon. Mr. MacDonald: Well, Mr. Chairman, Senator Croll and ladies and gentlemen, may I express my

appreciation to you for first of all the courtesy that you have accorded me and Mr. Morrissey and also not only the courtesy but a stimulating discussion that followed throughout the morning and I appreciated it and consider it our pleasure. Thank you very much for having us.

The Chairman: Thank you.

The committee adjourned.

APPENDIX "A"

BRIEF TO THE SPECIAL SENATE COMMITTEE ON POVERTY

PREFACE

Overall responsibility for the preparation of this brief was assumed by the Saskatchewan Department of Welfare. Although, the time available was somewhat limited, a determined effort was nevertheless made to include the submissions of as many as possible of our government departments and agencies. We are grateful to the following department and agencies who responded to our request for information, notwithstanding the short notice that was given:

The Department of Agriculture;
The Department of Co-operation and Co-operative Development;
The Department of Education;
The Department of Highways and Transportation;

The Department of Mineral Resources;
The Department of Municipal Affairs,
The Department of Public Health;
The Department of Welfare;
The Saskatchewan Economic Development Corporation;
The Saskatchewan Urban Municipalities Association.

It is our hope that this brief shall assist the Special Senate Committee on Poverty in its deliberations.

Prepared by the
Government of the Province
of Saskatchewan, 1970.

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CHAPTER 1

INTRODUCTION

"Have you guessed the riddle yet? " the Hatter said.

"No, I give it up," Alice replied. "what's the answer? "

"I haven't the slightest idea," said the Hatter.

"Nor I," said the March Hare.

Lewis Carroll, *Alice in Wonderland*.

1. By introducing the brief with the above excerpt from Lewis Carroll's delightful children's story, the Government of Saskatchewan wishes to underscore the fact that the subject of poverty is an exceedingly complex one, both in definition and in solution. Notwithstanding the complexity of the subject we have tried to explore it as fully as possible in the short time available for the preparation of this brief. In doing so we have discussed definitions of poverty, who the poor are, why people are poor and what can be done to alleviate and prevent poverty. Where appropriate, references have been made to poverty in Saskatchewan.

2. It is not the intention of this brief to present the committee with large amounts of statistical information. Statistics will only be utilized insofar as is necessary to give more clarity to a point, to assist in the understanding of situations, and to complement certain concepts. We are sure that any such detailed statistical information on Saskatchewan which the Committee may require, could be readily supplied by the Dominion Bureau of Statistics.

3. No matter how we define poverty, or what statistical manipulations we employ to demonstrate how much poverty we have, or whether poverty is increasing or decreasing, the fact still remains that we do indeed have substantial poverty. This is as true in Saskatchewan as it is in all provinces and territories of Canada. It is only right that we must all be concerned regarding the proportion of poverty that does exist in Canada. However, at the same time we feel it would be

well to keep in mind that in comparison with the rest of the world we are not so badly off. Indeed, the proportion of poor people in Canada is far smaller than it is in 90 per cent of the countries of the world.¹ This statement is made with full realization of the complexity of semantics surrounding poverty definitions. The point to be emphasized is that, while we are becoming increasingly wrapped up in our own serious poverty problems, we must also be aware of the spectre of hunger and starvation which daily greets millions of fellow world citizens whose poverty problems are beyond anything within our borders. We do not wish to convey the impression that we are trying to de-emphasize the serious poverty situation that exists in all parts of Canada. But, we do wish to keep our poverty problems in perspective in relation to the rest of the world.

4. In focusing on Canadian poverty, a cursory examination reveals a fairly substantial body of literature on the subject. However, closer examination reveals very little understanding of the poverty situation in Canada, and even less agreement on just what poverty is. The existing anti-poverty policies and programs seem to consist largely of unrelated efforts initiated by all government levels, as well as by a great many private organizations. All sectors of the economy appear to acknowledge their concern with poverty, both as a social and economic problem, but there is rampant confusion on how to go about attacking this elusive and fluid problem. A major part of the confusion is a direct result of the lack of any hard and fast definition of the term poverty.

¹ Thurstz, Daniel, *Social Aspects of Poverty*, Special Planning Secretariat, Privy Council Office, Ottawa, 1966, p. 2.

CHAPTER 2

DEFINITION OF POVERTY

5. In discussing definitions of poverty it is first necessary to distinguish between absolute poverty and relative poverty. People who do not have sufficient food, shelter and clothing to maintain their lives, may be considered to be living in a condition of absolute poverty. The end result of absolute poverty is death. Any society concerned with preventing poverty must of course first set itself the goal of eliminating absolute poverty. To all intents and purposes we believe it can be said that Canadian society has been successful in dealing with this kind of poverty. This has been accomplished through a variety with this kind of poverty. This has been accomplished through a variety of social and economic programs, some national and some more local in scope. It is true that even with such a vast array of social programs which do exist in Canada, there are still some individuals, that for various reasons, slip between these program supports, and experience absolute or near absolute poverty. The first priority then, is to seal such gaps. Everyone agrees that this must be done. The problem arises over the differences of opinion on just how this sealing can most effectively be accomplished.

6. Once having solved absolute poverty (which is the foremost problem as far as world poverty is concerned), we then enter into the very tricky realm of relative poverty. The Canadian Welfare Council's brief to the Special Senate Committee on Poverty defines poverty as a "relative deprivation of major physical and social needs and of the person's sense of perception of deprivation."¹ In presenting this relative definition the Council took the position that poverty cannot be defined as *absolute*. We would like to challenge this position and state that poverty can indeed be defined as absolute in the context of our previous discussion. The point is, *all* poverty cannot be defined as an absolute. In this respect the Canadian Welfare Council is quite right. However, we take the position that a great deal of Canadian poverty would be absolute poverty were it not for the supportive

underpinnings that have been developed. Remove those underpinnings and there would be starvation. Therefore, let us not sell ourselves short. Our society has been fairly successful in alleviating absolute poverty. Of course, in an affluent society such as ours this is not considered to be enough and we then enter the confusing, controversial, and emotionally steaming jungle of relative poverty. One look at the Canadian Welfare Council's definition and it will become very obvious why relative poverty can be described in such terms. From the standpoint of such a definition it would appear that the only way we could ever wipe out poverty would be for everyone to have exactly the same things as everyone else. There will always be someone whose sense of perception tells him that he is deprived! Let us not make the mistake of the Marxian idealists and lower everyone to the lowest common denominator. There are very few Canadians who would be satisfied with such a grey world. *We would only be replacing one form of poverty with another.* Under such conditions the poverty of the spirit would render our society impotent.

7. In some ways spiritual poverty already seems to have established a firm beach-head in our society. Perhaps one of our main concerns should be with the poverty of the state of mind. In essence, many people no longer have the old anchors that gave their lives stability, frequently under the most trying of conditions. Perhaps part of society's present preoccupation with poverty is not so much a preoccupation with poverty as such, but rather, a preoccupation with trying to find a meaning to life. Even with a complete solution to absolute poverty, and a great deal of equalizing of circumstances of those in relative poverty, we would still be light years away from being a society of satisfied individuals. Unless people can relate their particular circumstances to a deeper, non-material aspect of their lives, then the spiritually poor will abound, and social problems will continue to increase.

¹ Canada, Parliament, Senate, "Submission to the Special Senate Committee on Poverty by the Staff of the Canadian Welfare Council." *Proceeding of the Special Senate Committee on Poverty*, Queen's Printer, Ottawa, June 19, 1969, P. 466.

8. The preceeding is in no way an attempt to make light of Canada's current poverty problems. It is our belief that they are serious problems and that effective solutions must be found. Our concern is related to the fact that many people and groups feel that the solving of poverty in a material way will result in a problemless society. We wish to emphasize that this is just not true. At the same time we feel that the alleviation and prevention of material poverty would be a giant stride forward in the development of a more civilized world.

9. Valentine describes the primary meaning of poverty as "a condition of being in want of something that is needed, desired, or generally recognized as having value."¹ The key word to note here is value. One's perception of his relative state of poverty depends on where he places his values in relation to the availability of all types of resources. Being poor in Canada means something different from being poor in India; being poor in Canada in the 1970's means something different from being poor in Canada in the 1930's. What are some of the differences? Among the more obvious differences are the total amount of consumable resources available in relation to the total population, how resources are distributed within the social structure, cultural standards of value and adequacy, the number of people whose disposable income falls below such standards and what differences exist between the higher and lower socioeconomic strata in relation to the availability of community resources.

10. It now becomes obvious that poverty must be perceived as a continuum, and not as some point on an absolute scale. Poverty can only be defined in relation to quantitative and qualitative criteria which vary as societies and cultures change. Poverty

expands and contracts depending on what criteria are used to define it.

11. What most people are talking about, then, is a relative deprivation, and the essence of relative deprivation is inequality. Not only is it economic inequality, but also, and perhaps more important, it is an inequality of occupations, of education, of housing and the lack of participation in shaping the policies and programs that affect people's every day lives.

12. The Economic Council of Canada defines poverty as "an insufficient access to certain goods, services, and conditions of life which are available to everyone else and have come to be accepted as basic to a decent, minimum standard of living."² The Economic Council then set to work and compiled poverty lines as a statistical embodiment of the definition. This certainly was an admirable and no doubt difficult undertaking. While the poverty lines established by the Council would certainly seem to be reasonable, we must take the position that such income levels can only be described as artificial in that they do not set minimum budget requirements for commodities and services for particular family units living in particular areas. We are fully cognizant of the many problems associated with establishing such a budget approach on a regional basis. However, if we are ever going to find the solution to poverty in Canada we must somehow establish regional definitions that take into account certain goods and services and conditions of life which have come to be accepted as basic to a decent, minimum standard of living. Such a "social accounting" system would necessarily have to have built in methods for regular re-evaluation of what goods and services are basic, together with regular re-evaluations of the purchasing power of the dollar.

¹Valentine, Charles A., *Culture and Poverty*, University of Chicago Press, Chicago, 1969, P. 12.

²Canada, Parliament, Senate, "Brief from the Economic Council of Canada," *The Special Senate Committee on Poverty*, Queen's Printer, Ottawa, April 22, 1969, P. 33.

CHAPTER 3

WHO ARE THE POOR

13. It is obvious that the poor can only be identified in relation to the particular definition of poverty that is being used. As previously indicated, except for very extreme conditions, one cannot define poverty in absolute terms. Therefore, any discussion of who the poor are must necessarily be primarily a discussion of the relatively poor.

14. Who are the relatively poor in Saskatchewan? Again, this depends on what kind of poverty you are talking about, economic, social, political or spiritual. For the purpose of this section, most of the discussion will centre on the economic poor and, by implication, the social and political poor. As a point of clarification, when we speak of the politically poor we are referring to those people who have little or no sense of participation in the decision making processes which affect their lives. It is impossible to make an estimate of the spiritually poor, except to say spiritual poverty respects no socio-economic level.

15. Unfortunately the only truly authoritative source on the extent of poverty and the characteristics of the non-farm poor in Saskatchewan is the last census to record any income data, i.e. that of 1961. Perhaps the Dominion Bureau of Statistics has more up to date figures which would be more revealing. On the basis of the 1961 census, and defining the poor as those with less than 30 percent of their total money income available for other purchases after paying for food, clothing and shelter, Saskatchewan is among the six Canadian provinces with the greatest proportion of non-farm poor in the population.

16. In a survey carried out by the Dominion Bureau of Statistics the minimum income for family size was established as:

(a) one person	below	\$1,500 a year
(b) two persons	below	\$2,500 a year
(c) three persons	below	\$3,000 a year
(d) four persons	below	\$3,500 a year
(e) five persons	below	\$4,000 a year ¹

On the basis of these statistics, the prairie region had a ratio of over 27 percent of poor families to total families (includes individuals) Saskatchewan's ratio of poor to total families (includes individuals) came to about one-third of the total families in the province and was about double the ratio for Ontario, and almost ten percent more than the national ratio.² Undoubtedly if Saskatchewan was divided into northern and southern geographic sections, the north would have a much higher proportion of poor. It must be pointed out that the effective date for these two figures was June 1961, a particularly poor year for Saskatchewan agriculture. No doubt as a result many farm incomes were reduced below the poverty line, thus resulting in an increased proportion of poor for Saskatchewan. In the intervening years since 1961 Saskatchewan experienced rapid economic growth and undoubtedly the proportion of poor people diminished considerably. However, given the current depressed nature of our economy, it can be speculated that present economic conditions are having effects similar to those of 1961.

17. Like other areas of Canada, we have some people who are more prone to poverty than others. The poorly educated and the untrained, the aged, one parent families and those living in uneconomic areas are more prone to poverty. We also have a number of particular factors that intensify the problems of people living in the aforementioned

¹ Podoluk Jenny R., *Incomes of Canadians*, Ottawa, Dominion Bureau of Statistics, 1968, P. 181, cited in Bromberger, Norman A., *Poverty—Is There a Place for Credit Unions?* Credit Union Research Council, Regina, July, 1969, P. 7.

² See Appendix A, Tables 1 and 2, P. 56.

situations. Perhaps the largest of these complicating factors is the ethno-cultural one as it pertains to our *Indian/Metis people*. Insufficient education or training and lack of skills is still widespread among people of Indian ancestry. At any one time there is a disproportionately high incidence of people of Indian ancestry who are the responsibility of the Department of Welfare. Social workers who are employed in our welfare programs are constantly telling us that many of the young native people they come into contact with suffer from inadequate socializing experiences which would militate against making them competitive members of society.

18. The weight of the poverty problem among people of Indian ancestry in Saskatchewan is more severe than in other provinces. We have the highest per capita percentage (8 percent) of people of Indian ancestry in Canada. We have only 4.5 percent of the Canadian population but 15 percent of its registered Indians and 27 percent of its dependent, poor reserve Indians. In addition, northern Saskatchewan has one of the highest birth rates in the world. The fact that most of our Indian/Metis population live in the economically underdeveloped North-western regions further compounds the poverty problem. Another complicating factor is that a high proportion of our northern Indian/Metis people speak little or no English, being able to communicate only in dialect.

19. The high dependency rates of our native people results in a very heavy financial burden for the province, with about five million dollars being spent annually on Welfare services. Unless this dependency trend can be reversed, future financial and social problems can be expected to escalate at astonishing speed. It has been estimated that at some not too distant date that the Indian/Metis population will grow at a fantastic rate, not unlike the time path of the compound interest curve. It is apparent, then, that we are on the brink of an extreme crisis in relation to our native people.

20. To prevent such a crisis officials and departments of the provincial government are working in close cooperation with each other and with the federal government to provide and finance numerous programs to aid the provinces' Indian and Metis people. The Saskatchewan Government recently established an Indian/Metis Department to help people of Indian ancestry to establish themselves into the mainstream of provincial life.

21. In addition, the provincial cabinet has established a *Task Force on Indian Opportunity*, com-

posed of business and industrial leaders, local and provincial government officials, Indian and Metis organizations, clergy, educators, and labour leaders. Sub-committees of the task force are working to find ways to improve the level and quality of education, to increase employment in both the private and public sectors, to upgrade housing facilities, and to find out what skills are available among native people, training requirements, and jobs desired.

22. Now that Saskatchewan is in the process of urbanization and technological change, it is apparent that it is becoming increasingly difficult for the small farmer to make a decent living. On the other hand, many of those who do decide to leave their small uneconomic farms and try their hand at non-agricultural jobs, frequently find themselves seriously disadvantaged by reasons of their age, lack of education or training, and social and psychological handicaps in making an effective transition from rural to urban life. In a 1966 study of a grouping of off-the-farm migrants in Saskatoon it was noted that 66 percent of the male migrants had grade 8 education or less, compared to 36 percent of Saskatoon's total males. In addition, the migrants were consistently older than the male labour force in Saskatoon, many had physical disabilities, and about one-third had no non-agricultural work experience.¹ Many of the migrants suffered psychological problems due to the difficulties of leaving the farm coupled with associated problems such as low incomes, sporadic employment and poor housing. Of this sample 57 percent had incomes of \$5,000 a year or less. In our opinion the steady trend toward larger farm units, coupled with the severe marketing crisis which Saskatchewan is currently experiencing, cannot help but increase this kind of poverty.

23. The heavy dependence on agriculture as the mainstay of Saskatchewan's economy has both direct and indirect implications for our current poverty problems. The fact that there is a very restricted grain market causes detrimental economic reverberations throughout our entire economy. Very simply, if a farmer cannot sell his grain, his income goes down. When his income goes down he doesn't buy goods and services and cannot meet his credit obligations. When he doesn't buy goods and services or meet his credit obligations, the income of our merchants and industries are adversely affected. Less capital for our merchants and industries means less employment for our work force. Others are forced onto our social assistance roles. The farmer may find himself in the rather peculiar position of possessing a great deal of

¹ Abramson, Jane A., *Adjustments Associated with Migration From Farm Operator to Urban Wage Earner*, Canadian Centre for Community Studies, Saskatoon, 1966, pp. 41-56.

valuable grain, equipment, and land, but not having enough cash to maintain his family. In short, our current agriculture situation places many sections of our economy in an economic straitjacket. On the one hand, many farmers find themselves in the position of possessing large assets but, on the other hand, they have little cash. This is primarily an agriculture and economic problem, rather than a welfare problem. While traditional welfare programs can cope with the farmer's needs on a short term basis, they are not designed to provide a permanent solution to this type of poverty problem. Welfare is not intended to be an agricultural support program.

24. The continuing trend toward larger farm units means fewer farms. Fewer farms means that many farmers travel greater distances for goods and services. This in turn causes extremely serious problems for many of our smaller communities which have relied on the farmer for their economic existence. As a consequence, low income, low wage employment, and unemployment grows.

25. Figures provided by our Department of Agriculture indicate that during the past 15-20 years agriculture cash receipts have dropped from approximately 23-24 percent to 20-21 percent of the Canadian total. This year, due to poor markets for wheat, Saskatchewan's share will drop to about 18 percent. Although 1969 was a record year for wheat production in Saskatchewan, exports in the 1968/69 crop year were only 306 million bushels, the lowest since 1956/60. This left Saskatchewan farmers with over 700 million bushels of wheat on hand, worth over a billion dollars. As a result of declining sales, farm cash income dropped to \$725 million, a 20 percent decrease from 1968. Realized net farm income was 37 percent lower in 1969 than in 1968. The following figures further indicate the seriousness of the farmers' plight:

Year	Price per Bushel of Wheat	Average Cost of Production*
1949.....	1.61	204.1
1961.....	1.75	282.1
1970.....	1.40	410.7

*Based on a 1939 index = 100

The combination of lower grain prices and increased marketing costs places a large number of our farmers in extremely precarious financial positions.

26. The marketing of cereal grains is the most perplexing problem facing Saskatchewan farmers today. We are concerned that our share of the world marketings of our wheat and coarse grains has been declining. The reduction of our wheat acreage will not solve this problem. More aggressive selling is needed if Saskatchewan farmers are to not only maintain, but—most important—increase their share of the world's markets.

27. At his point we would like to refer to Appendix B, P. 57. *Submission of the Saskatchewan Department of Agriculture*. It is felt that this is a particularly good analysis of poverty in Saskatchewan in relation to the farm sector, and we are therefore including it in its entirety.

28. There seems to be a growing conception that most of Canada's poor exist in some isolated "culture of poverty". We feel that this term is extremely misleading in that it implies that the poor have certain ethnic, racial and social traits and ascribe to a particular value system entirely separate from society as a whole. This type of thinking leads to the conclusion that the poor have a particular and distinct way of life and are without middle class values and aspirations. This is not borne out by investigations. On the contrary just the opposite seems to be true, i.e. the cultural values of the poor may be similar to middle class cultural values, merely modified in practice due to situational stress.¹ In fact, many of the modifications could be viewed as positive adaptations for the survival of human dignity.

29. The chief point here is that poverty is part of *our* culture. It cannot be discussed in isolation by conveniently stating it is some sort of culture or subculture wholly distinct from the broader culture. Even though some groups of poor apparently have certain characteristics that one could label as quite distinctive and somewhat like a subculture, the fact of the matter is that these groups are still embedded within the total society. Any society has certain differences as well as certain commonalities. Our socio-cultural system has its own coherence to which subsocieties and subcultures contribute even with their distinctiveness. We are all "brothers under the skin". When we talk about the cultures or subcultures of poverty, we are speaking about integral parts of our own culture.

¹ Valentine, Charles A., *Culture and Poverty*, University of Chicago Press, Chicago, 1969, P. 17.

30. It has been estimated that of Canada's total poor, about one-quarter are over sixty-five years of age. It is clear that these people cannot be helped by committees, new approaches, or discussions. Another group, estimated at fifteen percent of the total, comprise a group who cannot earn enough money to lift themselves above the poverty level. This category would include many deserted mothers with children, the disabled and the sick. Such programs as retraining, work programs, etc. would be of little help for many of these people. The remaining sixty percent of poor could be broken into two groups. One group are those working full-time all year round but who are poor simply because their wages are low. These are the working poor. The other group is working part time when they should be working full time.

31. The poor of Saskatchewan, are the same people, with some local modification, as those who are vulnerable to poverty in all areas of Canada—those on fixed incomes (including the aged) the small farmer, the one parent (usually female) with children, the poorly educated and untrained, those suffering from illness or incapacity, the under-employed and the unemployed. In most instances, we are told they are people who have very little feeling of a sense of participation in the decision making processes of society and generally feel alienated from the wider society. In other words they are a part, but apart!

CHAPTER 4

WHY ARE PEOPLE POOR

32. Why are these people poor? This is a very complex question that cannot be answered with any one sweeping generalization. Like all other questions concerning human life the answer to poverty is comprised of many permutations and combinations, involving numerous factors in the psychological, social, economic, political and cultural spheres.

33. Many causative factors are involved in poverty and usually no one factor, is the whole cause. Lack of intellect, heredity, lack of motivation, inadequate services, not taking advantage of established services, poor housing, cultural deprivation—any number of lacks can feed into a general poverty syndrome. A serious lack identified by our Department of Health pertains to insufficient programs for young children. The lack of programs for pre-school children, particularly the "poor" can have profound limiting effects on a child's development—physical, emotional, social and intellectual. Our Department of Education has also pointed out that opportunities for learning are hindered when children come to school hungry, when home conditions are such that

children lack privacy that ensures adequate rest, when the home does not provide an environment for learning (books, newspapers, magazines, a place to study), and when the parents themselves lack an appreciation of the role of the home in motivating learning.

34. The Department of Health has also pointed out that a larger percentage of poor families do not avail themselves of the services of Well Baby Clinics. Therefore, at least in this instance, we seem to have a problem of the poor not making use of available resources. There are also indications this is happening in relation to other community services.

35. The question, "why do we have poor people in our type of social system?" is somewhat easier to answer than the general question, why are people poor? The free-enterprise market-economy nature of our society quite logically results in certain people achieving more through their particular work and efforts than other people do. This is part of the very essence of our freedom. A pyramidal structure

quickly develops with individuals "earning their positions" at various levels by virtue of numerous factors that are valued in present day terms, including education, earning power, employment position, nature of employment, sex, school ties, and yes, even family name. The particular nature of such factors or combinations of factors determines which status level of the pyramid a person occupies at any one time.

36. Some people, for various reasons, are unsuited to effectively participate in a competitive way in our society and therefore, become alienated from the main stream of life. Because they are unable to compete on society's terms, society leaves them behind and, in effect, lets them sink to the bottom of the pyramid. Unless there is a radical change of attitude toward people who are living at the lower levels of the pyramid, the debilitating effects of poverty will always be with us. In some cases there is also a need for a change in attitudes by the people who live at the lower pyramidal levels. These aspects will be commented on at greater length in the next section.

37. How have we treated the poor? *Unfortunately we have tended to make war on the poor instead of making war on poverty.* We have assumed that if we improved the character and motivation of the poor, we would no longer have poverty. How naive such thinking is, especially when viewed against the pyramidal structure of our society. Even if society succeeded in improving the motivation and character of all the poor and made every last one of them productive members of society (an even more naive thought), many of them would still have to live at the bottom of the status pyramid and they would still be looked on as the poor.

38. Our policies and programs have failed to eliminate poverty. In making observations and comments on this fact, many present day pundits are quick to condemn the various public welfare systems for this. While there is no doubt some truth in this we believe public welfare and social workers have been used as convenient scapegoats by society for far too long, and this type of thinking must stop. Problems of poverty are too widespread to think that public welfare alone will provide the answers. Answers lie in all facets of society including the home, education, health, trade and commerce,

industry, and in public attitudes. If people really want to know why public welfare has failed, it is because community people have not been willing to let it succeed. Perhaps the greatest indictment that could be directed towards public welfare personnel is that they have continued to serve at the command of society, fighting a battle without adequate personnel or tools, and without a clear statement of objectives.¹

39. In the broader context, policies and programs to eliminate poverty have failed partly because they were designed and launched without knowledge or understanding of what poor people really want, and what they are willing to do to get what they want.

40. Valentine feels that this lack of success is analogous to the earlier failure of colonial regimes whose knowledge of their subjects was both superficial and distorted.² It is equally apparent that any uniform anti-poverty policies, without respect for regional differences and different characteristics and needs of different people cannot succeed. An historical parallel presented by Valentine drives this point home: imperial confusion and failure stemming from stereotyped thinking about primitives and savages.³ It is clear from the mass of material written about the poor in recent years by people purporting to be experts, that we really know very little about the poor. Before we even hope to solve the "problems" of poverty *we are going to have to get to know poor people.* More will be said about this in the next section of the brief.

41. It is true that as a society becomes more affluent and more and more goods are available for consumption, people's aspirations rise and many people who at one time would not have considered themselves to be bad off, suddenly want goods they cannot afford to buy, and begin thinking that they are poor. The mass media and the fantastic communication systems that now exist have been a major factor in this development. In other words many people who now consider themselves poor and who are considered to be poor, would at one time have been fairly content with their situation in life. Therefore, in a sense, *our complex of communication systems coupled with the production of numerous gadgetry must be considered as factors in causing, at least, relative poverty.*

¹Thursz, op. cit., p. 1.

²Valentine, op. cit., p. 149.

³Valentine, ibid. p. 150.

42. Unfortunately many people on low incomes frequently succumb to the pressures of contemporary advertising, obtain numerous purchases on credit (usually expensive credit) and soon find themselves with monthly financial obligations in excess of their monthly incomes. Because of the impossible pressures of these financial burdens numerous other social problems may develop—delinquency, separation, divorce (which usually is too expensive), child beating, poor diets, lack of sufficient clothing, the necessity to obtain poorer housing, the loss of employment, general apathy, hostility and extreme spiritual poverty. What may have started out as a low income family adequately getting by and making ends meet has degenerated, through unwise credit buying, into a multi-problem family whose style of living has become so debilitated that only great effort may save it and its future generations from years of public dependency.

43. Both the inability to handle money and irresponsibility in the granting of credit can cause serious problems in relation to poverty. We wish to emphasize that we are not attacking the credit system as such, for credit buying can be very positive if handled wisely and granted responsibly.

44. A recent report by the Credit Union Research Council takes the position that poverty develops as a result of certain social and physical environmental characteristics and value systems, rather than as specific conditions or situations such as ethnic or racial background.¹ In other words there are certain universal variables of poverty which cut across ethnic, racial or other social characteristics. This would support the view that poverty, in part at least, is caused by certain types of social organization. What are these universal variables? One would be education. Education (including all types of training) is necessary for effective employment in our society. Without adequate education, no matter what ethnic background or other factors exist, one cannot make a decent living in our market economy. People with marginal skills are the first to be laid off during periods of restricted unemployment; they are the first to be laid off as industry becomes more technical. Such people will have little accumulated capital and will therefore be prone to spending periods of time on the public assistance roles. Other factors such as racial or ethnic background, prejudice and apathy, may certainly be important in determining the level of

educational attainment or making it more difficult for a person to get a job, but they do not by themselves cause poverty. In spite of such drawbacks, a higher educational attainment will result in an individual being more competitive in holding a job.

45. Another universal variable in poverty, is *age*. As indicated in the Economic Council of Canada's Fifth Annual Review, both the young and the old are prone to receive low incomes.² Many of our aged are tied to small fixed incomes and are completely at the mercy of rising costs. In addition, it is a well established fact that as people get older, it is more difficult for them to secure steady employment if they lose their jobs.

46. A third universal variable is *sex*. It has been extensively documented that the income of women on the average is well below that of men. Widows and deserted wives are particularly vulnerable to receiving low incomes. Again, this is tied into level of educational attainment. Most women just are not trained for the higher paid occupations in our society.

47. A final universal variable is that of *place of residence*. The economic base of certain sections of the country is such that it cannot support high wages. Groups of provinces, individual provinces, or particular areas of provinces may be involved. For example, in Saskatchewan much of our north country does not have a sufficiently developed economic base for the creation of large numbers of steady jobs. In addition, most Indian reserves are not economically viable.

48. *Farm poverty* may be viewed as a special sub-type of the universal variable of place of residence as indicated previously. Saskatchewan has many small uneconomic farms that seem to be doing nothing more than perpetuating poverty. In addition, when the owner of a small farm sells and moves into town he is faced with a myriad of new problems which very often lead him once again into a poverty situation.

49. We have touched on a number of variables in discussing the reasons why people are poor. Notwithstanding the importance of these factors, probably the largest single reason why we do have poverty is simply because we do not as yet have an agreed upon definition of poverty. Without an agreed upon definition of poverty we will never be able to formulate effective plans to combat poverty.

¹ Bromberger, Norman A., *Poverty — Is there a Place for Credit Unions?* Credit Union Research Council, Regina, July 1969, p. 16.

² Economic Council of Canada, Fifth Annual Review, *The Challenge of Growth and Change*, Queen's Printer, Ottawa, 1968, p. 111.

CHAPTER 5

STRATEGIES FOR MAKING WAR ON POVERTY

A. Public Attitudes

50. Notwithstanding the uncertainties surrounding the definition of poverty, who the poor are, and why they are poor, it is quite apparent that there is a substantial number of people in Canada who, for one reason or another, do not have sufficient resources to adequately meet their basic needs and, therefore, need some measure of help from the community. Some of the help needed is in the form of direct income maintenance but, perhaps what is needed most is a change in public attitude by the "non-poor" toward the "poor".

51. We feel that we cannot emphasize this point enough. *Public attitudes must change in order that less fortunate people are given a chance. Government programs can only do so much.* The good will and the resources of the public must be tapped, or the degrading and debilitating nature of poverty will never be solved. The public must want to help. All too often, attitudes of the community seem to push people further into poverty. Many people still view poverty as something immoral, something that the individual could avoid if he would only so choose.

52. If this country is to survive as an affluent, democratic society, our people must commit themselves to helping one another, as well as helping themselves, for it is a process of self-treatment. Admittedly the techniques and tactics of treatment will be complex, but we will never find them until we have a national commitment.

53. In our fight against poverty we must content ourselves with interim successes, just as we must accept inevitable intervening failures. We must not be demoralized nor rendered impotent by such failures. We must not use them as excuses for re-trenchment but, rather, we must look on them as inevitable landmarks along the uncertain path toward the achievement of our goal.

54. We must stop using the poor and programs associated with the poor as scapegoats for our own

imperfections. This means that not only must we alter our attitudes toward poverty, but we must also change our attitudes toward ourselves. For, very often it is likely, because we have negative feelings about ourselves, that we direct them onto other less fortunate individuals and groups. In many cases it is a simple matter of people not accepting their own imperfections. If we could accept our own imperfections we would not need to have readily available scapegoats such as the poor. We could then direct positive energies toward our fellow countrymen rather than, as so often is the case, negative energies. In this way a positive national commitment could be made to wage war on poverty.

55. If and when such a national commitment is made, then it will be much easier to arrive at acceptable definitions of poverty, to arrive at systems of social accounting, to define objectives, to proceed in matters of broad social planning, and to formulate and carry out necessary programs.

56. As indicated previously, *it really is a fallacy to think that we will ever be able to eliminate relative poverty.* No matter how sophisticated, efficient, generous, humane and all embracing our poverty programs become, there will always be a substantial number of people who, by their own standards, will consider themselves to be poor. The pursuit of more material goods can frequently be an abortive attempt to pursue the attainment of a more meaningful life or a more peaceful state of mind. There certainly is ample evidence today that many of Canada's citizens hope to make their lives complete through the addition of more and more material possessions. Our advertising media has a certain responsibility to bear for this as do a number of our politicians, who on occasion have been known to make unrealistic promises, thus, feeding into the general syndrome of unrealistic aspirations. Along with fighting poverty, *we must develop a deeper, more intangible, inner meaning to our lives to complement the material acquisitiveness side of our natures.*

B. Basic Needs for a Decent Minimum Standard of Living

57. We now come to the question what goods, services, and conditions of life are basic to ensure a decent, minimum standard of living? Everyone of course, needs sufficient food, clothing, shelter and medical care to keep body and soul together. What does everyone need and have a right to over and above this to ensure a decent minimum standard of living? We feel that such a question must be answered on almost an individual basis and it must relate to the ability of society to meet certain standards.

58. The discussion of relative needs inevitably leads to a discussion of rights and values. Human needs and rights change as the circumstances and values of society change. Values may be looked on as expressions of ideal situations. Rights may be viewed as particular points on a value continuum. For example, we may value education very highly, but the right to a certain amount of education will be dictated by what the country can afford. However, this does not preclude us from working towards increasing the rights of the population in so far as attaining higher levels of education are concerned. Therefore, in discussing rights we must always have certain ideals or ultimate values in mind. We believe such basic values to be the following:

- (1) Society should try to create conditions which permit the greatest self-fulfilment for individuals.
- (2) Society should provide opportunities for mutual assistance and common action through which individuals may achieve their own self-fulfilment and the common welfare of all.
- (3) Society should promote co-ordination between individuals, groups, institutions, and organizations to ensure maximum co-operation and collaboration for individual self-fulfilment and the common welfare.
- (4) Societal institutions and organizations should be adapted to changing conditions through the democratic process in which both rights and obligations of the individuals in society are respected and recognized.

59. We believe that the vast majority of Canadians would subscribe to these values. They have been elucidated in various ways on a number of different

occasions by a number of different organizations and individuals. One of the fullest discussions has been developed by the National Association for Social Workers of the United States.¹

C. Some Saskatchewan Programs

60. While we do not wish to discuss all Saskatchewan programs in detail we would like to refer to the following as having special relevance in relation to strategies for making war on poverty.

(1) *The Saskatchewan Assistance Plan*

The Saskatchewan Assistance Plan is founded on a belief in the worth and dignity of the individual and the recognition that:

- members of society are dependent upon one another and,
- the welfare of each individual is essential to the total welfare of the community.

The purpose of the Saskatchewan Assistance Plan is to make provisions for adequate financial assistance to persons in need, and to do so in such a way that their capacity for self-respect and self-dependence is maintained or strengthened. While our sense of purpose is high we also are excruciatingly aware that the Saskatchewan Assistance Plan is not perfect, but it is an honest attempt to alleviate the debilitating effects of poverty. We do not wish to present the details of the Saskatchewan Assistance Plan but we do believe that there are certain unique features that we would like to touch on in our presentation.

(a) *Aid to the Employed Poor:*

The Saskatchewan Assistance Plan does provide for aid to the full time employed person on an extreme hardship basis, extreme hardship being when every available resource is considered to be totally inadequate in relation to budgetary requirements. The granting of this type of aid is up to the discretion of the unit administrator. If the application is refused the client is advised of his right to have his application reviewed by the unit appeal committee, and if he is dissatisfied with the decision of this body he has the right to a final review of his application by the Provincial Welfare Board. We feel that even with a guaranteed annual income there would still be a substantial number of the working poor who would qualify for this

¹ *Defining Community Organization Practice*, National Association of Social Workers, New York, December 1962, p. 7.

type of assistance based on their disposable income.

(b) Appeal Procedures:

When an applicant for assistance feels his treatment has been unfair he has the right to appeal through the unit administrator to a committee established by the unit. If the applicant is not satisfied with the decision of the unit committee he then has the right to appeal to the Welfare Board. This is a Board established under the Department of Welfare Act and is comprised of the Deputy Minister of Welfare and additional members not exceeding twelve. At the present time the Board is made up of the Deputy Minister of Welfare as chairman, a housewife, a solicitor, a representative of the Saskatchewan Urban Municipalities Association, a representative of the Saskatchewan Association of Rural Municipalities, an Executive Director of a private agency, and a client representative. The presence of a client representative has been very helpful in the overall deliberations of the Board. In fact we feel so positive in this regard that it is intended that such representation be extended to our local unit appeal committees.

(c) Public Assistance - Simplified Procedure of Determining Eligibility:

In recognition of the fact that many social assistance clients do not require intensive casework services our Department of Welfare is continuing to explore more streamlined means of determining eligibility for assistance. The ultimate aim is to develop a simplified method whereby the applicant can verify on his own behalf that he meets the condition of eligibility and continuing eligibility. Counselling and rehabilitation would be available for those who could benefit from such services, but there is very little point in pushing such services onto clients who obviously are not able to benefit from them. Recipients would only be required to report by mail changes in circumstances as they arise. In addition, they would be required to mail in a declaration of circumstances on a once a year basis.

(2) Work Activity Centres

As outlined in the Canada Assistance Plan the goal of a Work Activity Project is to rehabilitate the socially, culturally, and environmentally handicapped persons who are unable to obtain or hold employment and cannot utilize the traditional upgrading and vocational training courses. Two such projects

have been established in Saskatchewan and another is being planned for this summer. We are very enthusiastic concerning these projects as they can help to rehabilitate the whole family. Not only are husbands upgraded sufficiently to allow them to take advantage of traditional upgrading and vocational training, but wives are taught homemaking skills, and children are introduced to various socializing experiences. Whole families are put in better positions to become competitive and socially well adjusted members of society.

(3) Day Care Centres

In recognition of the important role that Day Care Centres can play in alleviating and preventing poverty our government has recently announced grants for the establishment and operation of such resources. Basically, we will be providing starter grants and operational grants. Day Care services are also now included as an item of basic need for Saskatchewan Assistance Plan clients. We feel this will allow many clients who were unable to previously, to now be able to take advantage of rehabilitation and employment opportunities. Such centres can also provide important socializing experiences for young children. We feel this is another significant step in the fight against poverty.

(4) Unwed Mothers

For some time now our Department of Welfare has felt that much heartache and hardship could be prevented if many unwed mothers kept their children. Many things now militate against this, not the least of which are negative public attitudes and lack of financial resources. We are now exploring what supportive services could assist unwed mothers who are interested in keeping their children.

(5) Housing Programs for Low Income Families

The importance of adequate housing as a factor in alleviating poverty cannot be over-emphasized. In Saskatchewan, housing for low-income families falls into the following three categories:

(a) Low-rental housing (subsidized)

As at March 31, 1970, there were 1142 housing units under occupancy and 140 under construction in the Province of Saskatchewan, for the accommodation of low income families. These units ranged from the one-bedroom type, for the accommodation of senior citizens, to five-bedroom units for families with children. They were made possible under the provisions of the Saskatchewan

Housing and Urban Renewal Act and Section 35A of the National Housing Act. They were financed on a ratio of 75%/20%/5% as between Central Mortgage and Housing Corporation, the Province of Saskatchewan and the municipalities, respectively. Subsidies are shared in the same ratio. Subsidies for the 1969-70 fiscal year averaged out at approximately \$45.00 per month per unit. The rentals paid by these families relate to their income, according to a rental scale established for this program.

(b) Low-rental Housing for Families of Indian Ancestry

As a direct result of the recommendations made by the provincially created Task Force on Indian opportunity, the Province in co-operation with Central Mortgage and Housing Corporation, has acquired 98 existing houses in eight urban centres, for the accommodation of families of Indian ancestry who are placed in employment, or in educational upgrading or training programs by the provincial Indian and Metis Department. These units are financed on a 75%/25% basis by C.M.H.C. and the provincial government, respectively. Subsidies are shared in the same ratio. Families are required to pay a rent geared to their income, as provided in the rental scale for subsidized housing. The object of purchasing existing housing in established residential areas, is to permit maximum integration and adjustment in the community. Follow-up services, including counselling, are provided by the Indian and Metis Department to assist native people to adjust in an urban environment. The purchase of housing units is a continuing program as placements in employment are made in viable communities.

(c) Housing in Northern Saskatchewan

An experimental housing program for families of native ancestry was introduced in a specific area of Northern Saskatchewan in 1965 with the federal and provincial governments sharing finances on a 75%/25% basis. It provides for the construction of modest homes, which are sold to native families, subject to a 5% equity or down payment requirement. In certain instances, the Province has made a grant to assist the purchaser with his equity requirement. The purchaser is required to make payments on the home over a period of 20 years, in monthly instalments geared to his income. Subsidies are shared by the federal and provincial

governments on a 75%/25% basis respectively, represented by the difference between the collections realized and the amount required to meet amortization payments on the partnership investment, property taxes, and fire insurance.

Approximately 300 homes have been made possible under this program in various far north communities.

(6) Adult Education Courses – Indian/Metis Education

(a) Adult Education Courses

Our Department of Education continues to place particular emphasis on conducting adult education courses. During the academic year 1967-68, many such courses were conducted. Particular emphasis was placed on the preparation and selection of materials suitable for adults at a basic literacy level. (Grades I to IV). These materials are now used in upgrading for Indian and Metis groups. In addition to the technical and vocational education offered by the Saskatchewan Technical Institute, Moose Jaw and the Saskatchewan Institute of Applied Arts and Sciences, Saskatoon, vocational training centres at Weyburn and Prince Albert accommodate Canada Manpower trainees in trades (pre-employment), educational upgrading, farm mechanics short courses, and commercial and domestic services.

Occupational training for adults has been carried out under the auspices of the Technical-Vocational Education Branch through vacancies purchased by the Department of Manpower and Immigration. Manpower training programs during the 1967-68 school year included Educational Upgrading, (Junior and Senior Courses), Commercial Preparatory, Commercial Basic, Construction, Domestic and Related Occupations, Basic Surveying, Heavy Duty Equipment Operator, and Dining Room Attendant. These courses were offered at eleven centres in the province in 1967-68.

In co-operation with the offices of the Provincial Co-ordinator for Rehabilitation, the Department of Education provides training programs for the rehabilitation of disabled persons who cannot qualify under Canada Manpower Programs.

During 1967-68 the Department of Education, by agreement under the Federal Agriculture Rehabilitation and Development Act, provided Junior and Senior Upgrading Instruction for persons of Indians

ancestry in basic literacy. Under the agreement the federal authority paid the entire cost of allowances for registered Indians and shared the cost of Metis allowances. Training-in-Industry and Business Management Training programs are also provided under the auspices of the Technical-Vocational Branch. The Training-in-Industry is designed to provide an opportunity for workers to upgrade their skills and knowledge and for organizations to operate more efficiently. Employers may conduct the training or have their employees attend approved courses provided by other firms or training agencies. The Supervisor of Industrial Training assists in the development of training programs and monitors the operation of the program to ensure satisfactory instructional standards. Financial assistance to cover a part of the cost of this program is provided by the Canada Department of Manpower and Immigration. During 1967-68, fifty-two courses were offered in twenty-nine areas of instruction. The Business Management Training courses are conducted by sponsors throughout the province such as Chambers of Commerce, Boards of Trade, the Saskatchewan Construction Industry, the Federal Department of Manpower and private industries. New courses such as Computers and the Manager, Business Development, and Basic Financial Controls were introduced in 1967-68.

Our Department of Education is continually assessing educational methods and techniques in an effort to rationalize the educational system in relation to the needs of our students and the community at large.

(b) *Indian and Metis Education*

During the past five years our government has given *top priority* to the education of children and adults of Indian ancestry. One important aspect of this development has been the integration of white and Indian children in schools throughout the province. In the northern areas, for example, considerable progress was made in 1968 toward the integration of schools involving the transfer of many pupils to the jurisdiction of the Northern School Board. The provincial school curriculum has always been used in the northern Saskatchewan schools. Since the late 1950's there has been greater emphasis on English and Social Studies. The most notable area of improvement has been in the language arts that is, in various aspects of English, reading and oral language. In recent years I.T.A. (Initial Teaching Alphabet) has been used in

Northern Area Schools and Indian Affairs Schools. This program emphasizes phonetics in reading and writing. In the field of social studies, attempts have been made to develop a course more suitable to the environment of Indian and Northern students. This modified program was authorized for use in grades I to VI. More recently a program using a multi-cultural approach has been developed. During the past six years an Advisory Committee on the Education of Children of Indian Ancestry, set up by the Department of Education, has been active in working with teachers, administrators and the Northern School Board to improve education of Indian and Metis children.

The Department of Education, through the Applied Arts and Sciences Branch, continues to expand and develop adult educational opportunities for people of Indian ancestry. Federal, provincial and private agencies work in close co-operation in developing and implementing the various cost-sharing programs that finance this area of education.

Indian and Metis, through their organizations, have become more and more involved in planning the types of programs made available and where they will be operative. Approximately 3,000 attended government sponsored programs in the 1969-70 year.

Special programs in Basic Literacy and occupational preparation, as well as grade twelve equivalency, are being prepared for future implementation. Technological, trade and occupational training, together with basic education (or educational up-grading) programs are available to Indians and Metis at the province's two Technical Institutes and its three Vocational Centres.

The following programs administered by the Department of Education could be of particular interest to people of Indian ancestry:

Occupational Training of Adults Program: Indians and Metis may be eligible for basic education and pre-employment training courses in vacancies purchased by Canada Manpower at technical and vocational centres in the province. Manpower also sponsors special projects such as Basic Training for Skill Development, and commercial core training courses for entry into such occupations as hospital ward clerks, clerk-typists, and retail clerks. Eligibility for these programs is determined by the Department of Manpower & Immigration, and application may be made at any Canada Manpower Centre.

The Federal-Provincial Indian Program: This program sponsored by the Department of Education in co-operation with ARDA and the Department of Indian & Eskimo Affairs, is designed for persons of registered Indian ancestry who are unable to enroll in Manpower's occupational training courses. Basic Literacy, and Adult grades 5-10 classes are held on reserves and in local communities. Application for training may be made through any vocational counsellor of the Department of Indian & Eskimo Affairs.

Vocational Rehabilitation of Disabled Persons Program: A wide variety of training is available to persons with a physical or mental disability under this program. Basic Education (or educational upgrading) opportunities are available throughout the province. Courses in Domestic Science and Occupational Services provide training for persons unable to cope with the regular school system. In addition, this program sponsors individuals who qualify in trade, technological, and university training. All candidates must be referred through the Saskatchewan Indian & Metis Department which is a designated referral agency.

Non-registered Indian & Metis Program: Basic Education courses in this provincially-sponsored program, are available in a variety of rural and urban communities. The purpose of this program is to allow local people to upgrade their educational qualifications, and therefore, broaden their opportunities for further training and employment possibilities. In addition, the N.R.I.M. program sponsors individuals in trades and occupational courses at the various institutes and vocational centres. Candidates for training may apply through Indian & Metis Society representatives, as well as through field representatives and placement officers of the Saskatchewan Indian & Metis Department.

The following list of programs and the number attending them exemplifies the increasing emphasis we are placing on adult education for Indian/Metis people:

1. Technologies – 1,212 in 1969 compared to 324 in 1964;
2. Educational upgrading – 3,653 in 1969 compared to 108 in 1964;
3. Trades Apprenticeship – 1,944 in 1969 compared to 924 in 1964;
4. Training in Trades Pre-employment – 1,697 in 1969 compared to 696 in 1964;
5. Training in Industry – 1,697 in 1969 compared to none in 1964;

6. Business Management – 468 in 1969 compared to none in 1964.

New and exciting training programs that will enable each individual to make maximum use of his unique potentialities are being planned and implemented with the co-operation of all the various public and private agencies involved.

D. Present Social Service Programs

61. The Government of Saskatchewan believes that people are entitled to a sufficient income which would provide them with certain goods and services necessary to ensure a basic minimum standard of living. In order to do this it is apparent that there is a need to re-organize Canada's social service programs. Such a re-organization would be aimed at ensuring that the social service dollar is spent in the best possible manner. Our government stands ready to co-operate to the fullest possible degree in re-examining Canada's social security system to make it into a more workable and fairer system.

62. We believe that to establish a universal income maintenance program would be an extremely complicated undertaking, requiring the development of a computerized social accounting system on a regional basis. Prior to this being developed there would need to be common agreement among all government levels and the general public as to what constitutes a basic decent, minimum standard of living, for all Canadians. We do not believe that poverty lines can be established on a Canada wide basis for the simple reason that poverty lines will vary from area to area depending on particular social, economic, and cultural circumstances. We also do not know whether it would be feasible at this time for such poverty lines to be established on a regional basis. However, we do believe that the desirability of such an approach deserves careful study.

63. Comprehensive income maintenance programs will not by themselves solve poverty. They will only establish some absolute minimum level of income below which no individual's or family's disposable income could fall. In a sense, they would establish a minimum level of poverty. This of course is not necessarily a bad thing, but to think that it will in itself be a solution is completely misunderstanding the nature of the poverty problem. We submit that the poverty problem is not so much one of straight economics (although this certainly is important) but rather, it is more related to society's value of equality in an affluent society. Very simply, *people want equality*; not complete equality, but a much greater degree of equality than now exists. We are of the opinion that

no amount of minimal income support can solve this basic problem of inequality. To solve this problem will require a re-thinking of our attitudes in relation to the decision making processes in society.

E. Participation of Low-Income People

64. What is meant by increasing equality for the poor? Does it mean "equal opportunity"? Yes, partially that, but it also means something much more. It means a feeling of equality—a sense of achievement and fulfilment, and the enjoyment derived from the rewards and satisfactions of living. Much of this is derived from being able to give of oneself through direct involvement in making decisions that affect oneself and one's community. In other words *the equality of the individual must be expressed through his freedom to express his thoughts and ideas, and his right to take part in matters concerning himself and his community.*

65. It is true that many of the poor, because of lack of involvement in such processes may at first be somewhat apprehensive, reticent, and suspicious, and will need considerable encouragement and support. In addition, agencies will need to demonstrate a great deal of patience in helping all strata of the poor to effectively participate. However, we strongly feel that once the poor are involved in the decision making processes, then we will find that poverty programs will develop more rationally, they will become more acceptable, and they will be more successful.

66. Participation by the poor must be sanctioned at the highest governmental levels and be genuinely supported at all levels, otherwise it will be an exercise in futility that will do more harm than good. Such a process must enable the poor to act on behalf of their own interests. They must have a voice that is listened to. *Their voices must not be merely exemplifications of token "participation by the poor".*

67. Some examples of where the poor can effectively participate are as follows: on welfare appeal boards, on welfare advisory boards, and on various program committees at all levels. The poor should also be encouraged to form their own self-help groups where the need is indicated.

68. As previously indicated in Saskatchewan Department of Welfare currently has client representation on its Provincial Welfare Board. In addition, the formation of self-help client groups are being encouraged in our regions. Furthermore, it is hoped

that all regional welfare advisory boards will eventually have effective client representation. The present policy of the Department of Welfare is to encourage client participation as much as possible in all areas of program development.

69. Traditionally, almost all communication between Departments of Welfare and their clients have been through direct program service personnel, usually in the form of "caseworkers". While this approach is a necessary one and while many welfare workers have undoubtedly done remarkable work while up against heavy odds, it is a narrow approach. It is an approach that has certain drawbacks in so far as using all feasible avenues of dialogue, communication, and involvement with recipients. By itself it is an approach that also militates against involvement of the community in general in developing an awareness of programs and problems. In our opinion a much wider community approach is needed. Departments of Welfare should be given every encouragement to develop such approaches in keeping with the particular nature of the problems they face. One such approach would be the employment of community workers who would not have the traditional direct service responsibilities, but who would function as "channels" or "bridges" between their actual clients or potential clients. Briefly, the tasks of community workers would fall into four main areas. First, they would advise people of the services of Departments of Welfare as well as making appropriate referrals to other agencies. Second, they would function as sensitive receptors and recorders of the needs and problems of the area. Third, they would act as a liaison between the client system and community in general and Welfare Departments, and fourth, the worker would act as a catalyst in the formation of various types of client groups that may be developed from time to time.

70. The specifics of meaningful participation by the poor are many and varied. The important thing here is not so much the details of any particular undertaking, but the acceptance of the principle of meaningful participation by the poor in decisions that affect their lives.

F. Volunteerism

71. The development of meaningful and effective volunteer services on a national basis should be explored as a possible policy. To assist state and local welfare offices in developing volunteer services, the United States federal government recently established an Office of Citizen Participation headed up by a

Director of Volunteer Services, under the Social and Rehabilitation Service of the Department of Health, Education and Welfare. It is understood that each state has established or will shortly be establishing, Directors of Volunteer Services and that many local welfare offices are also developing positions to direct volunteer services.

72. The legislative basis for these services was made possible by the United States Social Security Amendments of 1967 which state that States plans must provide:

"for the training and effective use of paid sub-professional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for use of non-paid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency".¹

73. It is interesting to note that the legislation provides for volunteers to come from all segments of society by making provision for some form of subsidy. Such payments are designed to ensure for even the poorest of the poor to serve in partnership with more affluent citizens.

74. We feel that well developed volunteer services could contribute immensely to the general social betterment and uplifting of Canadian citizens. The volunteer can contribute in a unique and important manner. It is a contribution that will neither duplicate nor usurp the tasks, functions, or methods of the professional. The volunteer is not a substitute professional. His function is to complement, to supplement, not to supplant.

75. *Wide spread volunteerism can be an effective way through which the more positive attitudes of the public can be developed.* Firstly, the volunteer symbolizes the commitment and concern of the community. Secondly, as an aware and vocal citizen, he has a unique contribution to make as he identifies general needs through first hand exposure to individual unmet needs. Through friends, neighbors, fellow church goers and fellow club members he has his own particular way of reaching and influencing the public. More important, his public is one that is apt to listen because he is one of them. He reports first hand observations. He is not suspect.

76. Volunteers who participate as an integral part of an agency team can greatly affect community attitudes and behaviour toward poverty program services and goals, while at the same time adding appreciably in providing a better service.

77. A word of caution. If volunteer services are implemented without adequate supervision they will flounder and fail. Volunteer services are in every sense an extension of programming and require an ongoing and continuous process of recruiting, training, supervision, co-ordination, and identification of volunteer service areas.

G. Communication - Co-ordination

78. Both communication and co-ordination have already been alluded to. However, it is felt that the subject is sufficiently important to devote a special segment of this section to it. Probably a great deal more could be accomplished with present resources and programs if there was more communication and co-ordination among the various government and private services. We realize that it is a subject that has been extensively dealt with over the past number of years. The fact is, it is still just as valid for discussion today as it was ten years ago, perhaps even more so. For example, only during the past few years have our various provincial departments, concerned with providing services in the Saskatchewan north, started to meet together in various levels of interdepartmental committees. This developed primarily at the instigation of our Department of Welfare with the result that we now have three levels of interdepartmental committees meeting, with a two way flow of information between all levels. One level is composed of various senior staff at the provincial level, a second involves senior staff at the regional levels and a third involves field level staff at the district level. The next logical step we hope to develop is the involvement of indigenous people at the local level. The most effective means of co-ordinating northern services is a subject for continuing exploration. As our services are extended and broadened in the North it is imperative that effective communication be developed in order that economic and social development progress at an unimpeded rate.

79. The precise nature of communication structures must necessarily be dictated by particular regional situations. Again, it is not the specifics

¹Public Law 90-248. 90th Congress, H. R. 12080, Social Security Amendments of 1967, Section 210.

that are important, but it is the acceptance and implementation of the principle that is paramount. Many of our programs operate in isolation. The co-operation of numerous government departments, private agencies, and groups are needed if we are going to make any sort of meaningful attack on poverty. It is just this type of acceptance of a principle that has resulted in a great deal of co-operation between the public and private sector in Saskatchewan in developing employment opportunities for many of our Indian and Metis people.

H. Economic Development

80. While the Government of Saskatchewan endorses the present national policy of fiscal responsibility, we also recognize that, for various reasons, certain regions of the country need economic stimulus. Saskatchewan is now one of these regions. Our current wheat situation is well known, there is a restricted potash market, and there are American restrictions on the importation of oil.

81. Saskatchewan is a resource province and our economic health depends on our exports. Potash, uranium, oil, copper, as well as grain and cattle are the mainstays of our economy and many of them are experiencing temporary problems over which we have little or no control.

82. Saskatchewan, then, now faces a unique situation in its history. We are caught between the forces of local recession and national inflation. Our dilemma is that the cure for the first problem feeds and encourages the second. In order to fight our economic slowdown we are doing our utmost to prime the economic pump and bring help to every part of Saskatchewan.

83. Even given the present economic situation we believe that *the almost blind pursuit of obtaining credentials has in some cases created artificial barriers that preclude many of our poor from what otherwise would be employment opportunities*. We feel very strongly that many employers including governments, have set rather unnecessary levels of qualifications, and that all employers should be encouraged to carefully review qualifications for jobs, and decrease them if they are deemed to be unrealistically high. For example, the Saskatchewan Government actively encourages such a policy in developing employment opportunities for people of Indian ancestry. Such a policy is particularly applicable to employers who say they are having trouble finding qualified workers. If enough qualified work-

ers are not available then unqualified ones should be hired and given on the job training. While the federal government, as well as other government levels and some private industries, provide on the job training, we feel that it is an area that could be greatly expanded.

84. Tied in closely with the subject of artificial employment barriers is the concept of *positive discrimination* in employment. Very simply, this means that the disadvantaged should be given certain incentives not available to the more successful, which would enable them to become economically productive. For example, in Saskatchewan we provide loans for the construction of houses for sale or rental to people of Indian ancestry. We also require government highway and building contractors to hire a certain percentage of workers of native ancestry. This may be looked on as positive discrimination. With reference to our Indian/Metis employment policies, we have set a target for 1971 of having at least seven percent of our civil service staffed by people of Indian ancestry, either in training or permanent positions. At the present time there is close to 450 provincial civil servants of Indian ancestry, representing a little over five percent of our total civil service staff complement.

85. With regard to our policy concerning government contracts, at least five percent of the total work force of all contractors doing work involving the use of public funds, must be people of Indian ancestry.

86. We have recently established a separate Indian/Metis Department, the function of which is to operate an employment placement service for people of Indian ancestry, to promote economic development projects, and to co-ordinate all government activities related to Indian and Metis people. This existence of this department may be looked on as another example of positive discrimination. In pursuing a policy of positive discrimination it is absolutely essential that all people involved completely understand that it is only a temporary policy in order to get people on their feet so that they can help themselves. *It is not a policy that grants special privileges and considerations to particular individuals and groups on a long term forever and ever basis.*

I. Research

87. The expertise of many disciplines is needed to help us understand and to help us deal effectively with the poverty problem. It is our impression that much of the research being conducted today is being used for rather narrow purposes. It is also our impression that some disciplines could be doing a lot more in the field

of operational research. We believe, for example, that the field of anthropology could play a very significant role in helping us to answer many of the questions that we are currently grappling with. Anthropologists have been extremely successful in studying the life styles of exotic peoples in far corners of the world. They have also accumulated much data on many of our Indian tribes and have given us valuable insight into the cultural background of people of Indian ancestry. We would suggest that anthropologists could play an important role in poverty studies by providing more ethnographic information on poverty in Canada which would help us understand what poor people want and what they are willing to do to get what they want. Indeed, without such information policies and programs to "eliminate poverty" will continue to be launched on jelly-like foundations.

88. As indicated previously, *the expertise and knowledge of a number of disciplines are needed.* Anthropology will not solve it alone. Social Welfare will not solve it alone. Economics will not solve it alone. What is needed is a nationally organized research organization including all disciplines which would function as a co-ordinator of poverty research projects, a centralized information centre, and an interpreter of research findings.

89. We have tried to make our brief as balanced a presentation as possible. We fully understand that the poverty problem is not a simple one. It is even extremely difficult to agree on a definition. However, definition or no definition, it is clear to any observant person that poverty is a real part of this affluent society.

90. The existence of negative public attitudes is one of the largest single stumbling blocks in the way of mounting an effective attack on poverty. Far too many people still believe that the poor, including welfare recipients, are totally to blame for their circumstances. Poverty is viewed as something immoral and the individual is viewed with varying degrees of distaste. The fact that all studies indicate that the social assistance recipient had no choice but to apply for public welfare seems to have had little impact on the majority of the public. Such negative public attitudes toward the poor must stop. Somehow, the positive energies of Canadians must be harnessed into a national commitment, which would allow Canada to develop effective measures to solve the many problems associated with poverty.

91. No one approach is the long sought after panacea. It is a multi-faceted problem requiring a multi-pronged attack. Part of the answer lies in some form of a comprehensive income maintenance system; part of the answer lies in universal access to the judicial process; part of the answer lies in universal medicare; part of the answer lies in rehabilitation programs; part of the answer lies in increased co-ordination of programs; part of the answer lies in increased participation by the poor in decisions which affect them; part of the answer lies in co-ordinated research; part of the answer lies in a more rational economic system; part of the answer lies in increased public participation in our social programs; part of the answer lies in designing and implementing new approaches and programs; and a very big part of the answer lies in changing public attitudes. For, *unless the public is behind the attack on poverty, the attack will fail.*

APPENDIX A

TABLE I

LOW INCOME FAMILIES IN CANADA AND REGIONS, MAY 31, 1961

Region	All Families*	Low Income Families	Proportion Low Families Income To All Families
Atlantic Provinces	348,887	157,938	45.3%
Quebec	988,307	275,505	27.9%
Ontario	1,362,618	253,760	18.6%
Prairie Provinces	556,251	149,998	27.0%
British Columbia	368,116	78,359	21.3%
Total for Canada (includes Yukon)	3,626,964	916,050	25.3%

*All families includes each family unit whether of single person or multiple person size.

SOURCE: Poduluk, Jenny R., *Incomes of Canadians*, Ottawa, D.B.S., 1968, p. 187, as cited in Bromberger, Norman A., *Poverty—Is there a Place for Credit Unions?*, Credit Union Research Council, Regina, July, 1969, p. 9.

TABLE II

LOW INCOME FAMILIES OR INDIVIDUALS IN THE PRAIRIE PROVINCES 1961

Provinces	Poor Families	Total Families	Percent Poor Families To Total Families
Saskatchewan	49,569	142,550	34.8%
Manitoba	45,719	175,054	26.1%
Alberta	54,710	238,647	22.9%

SOURCE: Poduluk, Ibid, P. 202, as cited in Bromberger, Ibid, p. 10.

APPENDIX B

SASKATCHEWAN DEPARTMENT
OF AGRICULTURE

POVERTY IN SASKATCHEWAN

The limitations of income, as a measure of poverty, are evident when comparing rural farm income with that of urban families. Variables in life-style, tax exemptions, cost of living, etc., complicate the establishment of a common measure of poverty. A further limitation to using income as a measure of poverty is that it fails to identify other significant factors in the poverty situation such as the relative quality of education, health, housing and aspirations. It has been said "Poverty is not just low incomes . . . it is poor housing and poor schools . . . it is fewer doctors and inadequate medical care. More important, it is discouragement in people, it is a decline in the social economic fabric of communities. These in turn breed continuing substandard education and levels of living in a cycle that is hard to break or reverse".¹ Therefore, poverty in its truest sense is more than mere monetary wants; it is wants mixed with a lack of aspirations.

The inability to identify objective criteria which would depict a minimum standard which would be acceptable in our society, in each of these areas, creates limitations as great or greater than those associated with the use of income as a measure of poverty.

If, as most people believe, people should have a right to an adequate standard of living, the Standard must be defined.

Statistical data do not adequately describe poverty. However, they are valuable in providing clues as to the amount, location, distribution and extent of poverty in Saskatchewan. With this end in view, the following statistics are outlined.

As indicated by the figures above, the trend would suggest that gross income is increasing for greater proportions of the farms.

To determine the quality of housing, data from seven towns ranging in size of 1,000 population to 3,500 were examined. The data was obtained from Urban Renewal Studies conducted during the 1966-1969 period for the Saskatchewan Department of Municipal Affairs. The building surveys indicated that of a total number of 4,621 residential buildings, 1,647 or 35.6 per cent were in good condition, 1,932 or 41.8 per cent were in fair to poor condition, and the balance of 1,042 or 22.5 per cent were in very poor condition. "Good" Housing included only those

NUMBER OF FARMS BY FARM SALES²

Small Scale Farms	Saskatchewan		
	1951	1961	1966
Less than \$249	5,976	2,634	2,042
250 - 2,499	56,384	27,530	13,427
<u>Commercial Farms</u>			
\$2,500 - \$4,999	32,186	30,295	17,833
5,000 - 9,999	14,229	24,290	27,066
10,000 - 14,999	2,156	5,981	13,610
15,000 - 24,999*	941	2,299	8,571
25,000 & Over		681	2,882

¹Herman J. Miller, *The Dimensions of Poverty*, from "Poverty as a Public Issue", Free Press, Ben B. Seligman, ed.

²D.B.S.

*\$15,000 & Over for 1951.

SASKATCHEWANCANADA

	Total Rural	Rural Farm	Rural Non- Farm	Urban	Total Rural	Rural Farm	Rural Non- Farm	Urban
<i>A. Attending School</i>								
Elementary 1-4 yrs. +	76%	75%	76%	74%	78%	76%	79%	70%
Secondary 1-4 yrs. +	22%	23%	21%	22%	20%	22%	18%	22%
University 1-4 yrs. + Deg.	2%	1%	2%	4%	1%	1%	1%	3%
TOTAL	100%	99%	99%	100%	99%	99%	98%	95%
<i>B. Not Attending School</i>								
No schooling	10%	8%	11%	5%	9%	8%	9%	4%
Elementary 1-4 yrs. +	51%	54%	48%	36%	54%	59%	52%	39%
Secondary 1-4 yrs. +	36%	35%	36%	51%	34%	31%	36%	49%
University 1-4 yrs. + Deg.	3%	2%	4%	7%	3%	2%	3%	7%
TOTAL	100%	99%	99%	99%	100%	100%	100%	99%

Source: Census of Canada DBS (1961).

Educational Levels for the Saskatchewan population reflect similar patterns to that of Canada.

However, considering those people out of school, educational levels of Saskatchewan's rural population are significantly lower than for the urban population.

structures that met modern standards, while "Fair" to "Poor" would require some improvement to bring them up to modern standards. The "Very Poor" category is for dwellings that would require a large outlay for rehabilitation, or in many instances, should be removed from the housing stock because of dilapidation.

The foregoing statistics point up areas of concern when considering the poverty question. However, general statistics of this nature have limitations, e.g. certain characteristics of age, family size, place of residence, etc. but it was assumed that the incidence of poverty would be higher among the low income, lower educated and poorly housed.

Among the poverty problems in Saskatchewan is a heavy dependence on agriculture, both direct and indirect. The small communities find themselves hard-pressed as farms grow fewer and many farmers travel greater distances for services. As a consequence, low income and low wage employment exists in many of these communities.

How Many are Poor in Saskatchewan

In trying to establish the number of Saskatchewan people that could be classified as poor, it is very

difficult to determine the poverty line for those in agriculture, even when utilizing income as the criteria. To date, the collection of data on incomes of families and individuals has not been extended to the farm population. Rather, an establishment of Saskatchewan farms by economic classes has been reported in the 1966 census of Canada, outlining the gross value of agricultural sales per farm. The proceedings of the Canadian Agricultural Congress 1969 estimated that 45% of the gross value of agricultural sales would give the approximate net income from farming.

Of further interest, "4 out of 10 Canadian farmers have some employment not related to their farming enterprise and one out of 10 carries a full-time (or near full-time) outside job".¹ It is important that a closer investigation of farm incomes, part-time farming, etc., be conducted in order to more clearly identify total income.

In establishing what an adequate income is, a common set of criteria is required for all people. The income tax statement should be able to facilitate this measurement. However, the present tax exemption allowances for farmers differ with those for salaried workers and as such, adjustments would have to be considered in order to equate living standards. In

¹Proceedings of the Canadian Agricultural Congress, Ottawa, Canada, March 24th-27th, 1969.

comparing the income of a farmer with that of a salaried worker having a similar family size; it was estimated that the salaried worker in the lower income groups would require an additional 30% net income to maintain a similar living standard with that of the farmer living on the farm. Because of the limited amount of data available and with the constant tax changes a more detailed study would be required in order to determine the income levels which would reflect comparable standards of living between farm and non-farm persons. Differences also exist between rural, urban and Provincial areas depending on the location of major community services, trade facilities, highways, etc.

Attempts have been made to measure the number of poor people through establishing specific income levels as the poverty line. In Canada, the Dominion Bureau of Statistics has defined the income level for different sized family units. The following table depicts their findings compared with estimated income requirements¹ for farmers.

Family Size	Income Requirements (D.B.S. Estimates)	Income Requirements Rural Farmers (Estimates)
2	\$2,500	\$1,900
3	\$3,000	\$2,280
4	\$3,500	\$2,650
5	\$4,000	\$3,000

Using the preceding income figures as a guide and assuming an average family of four, the data would indicate that at least a major part of the families on farms with gross income between \$250 and \$4,999 are poor.

Variations in yield and price make it difficult to identify trends from census data on income. Farm size is less subject to annual variation.

In 1966 there were reported to be 25,084 farms in the 1/4 section to 1/2 section category, i.e. between 70-399 acres. Assuming return to labor and capital of \$10 per acre, it is obvious that most families on farms in this category would be classified as poor.

Thus, through these general estimates one would arrive at a figure of 25-30,000 of farms in the province

that would be classified as clearly of insufficient size to support a family except at a poverty level. Among this group would be found various compensating factors—off-farm employment, bachelors, special farm enterprises, etc; which would reduce the number that would be poor. Factors that would increase the number would be larger farms of 480 acres to 640 acres, where by reason of poor soil, poor management, debt, etc; the families operating them would be at the poverty level.

With trends towards more commercialized farming, it is becoming more and more difficult for families to remain on sub-economic farms. In the fifteen years between 1951 and 1966, the number of farms of between 70 and 399 acre size decreased from 50,597 to 25,084.

Causes of Poverty

(a) *Life-cycle Poverty*—This is apparent in many rural throughout Saskatchewan. A case in point was an unpublished departmental study conducted by the Economics and Statistics Branch of the Saskatchewan Department of Agriculture in 1964. This was part of a larger study but point out the problem.

An analysis of 17 small size farms in close proximity to each other in R.M. #395 will be discussed. The overall appearance and general impression of the area was one of lack of progress and resource development and small scale, submarginal farming. There were very few large farms in the area. A considerable portion of the area was owned by absentee landlords or farmers living outside the area. Very few of the farms had electric power, and none had telephones. The average farm consisted of 409 acres with 166 acres cultivated. The average building, livestock and machinery inventory was valued at \$3,419 per farm. The seventeen farms had an average debt of \$1,323 per farm. The gross farm income for 1964 averaged \$2,538 per farm and of this, 27 per cent was earned from off-farm sources. The average family size of the 17 farms was 4.2 persons.

(b) *Depressed Area Poverty*—This is a situation where a region depends heavily on declining of production.

It could be said that, relatively, income of agriculture in Saskatchewan is low because growth in wheat and other grain output has outpaced its growth in effective demand.

¹ These are estimated on the basis of lower property tax, imputed value of home produce consumed and allowable income tax deductions.

The most recent projects regarding the outlook for grain marketings indicate a shrinking market. However, the long term demand for livestock is and should remain favourable. The Saskatchewan government has in the past and is currently involved in initiating policies to promote a shift to livestock production.

However, with what appears to be a shrinking grain market and because of preponderance of grain in Saskatchewan, very indepth market knowledge is required so that a rational, long-term, agricultural policy is established.

In agriculture, technology in the whole field of production has made great strides in the past few decades. However, the farm settlement pattern of Saskatchewan was established under the Homestead Act which promoted the establishment of small-size farms. Many of these small farms exist today and as such are unable to take advantage of advanced technology. Farm size adjustment is required in many or most rural areas in Saskatchewan. A training program for persons moving out of farming is required for a successful adjustment. Alternative employment will also be required for this to be successful.

The ramifications of the suggested transition of a number of farmers to other occupations will likely cause a further hardship on the rural non-farm segment of the population than exists today. It is, therefore, important that a rational approach to the establishment of larger well equipped growth centres be undertaken throughout Saskatchewan.

To correct the depressed-area poverty people in this situation often require extensive counselling on all aspects of the transition; they need better information about the nature of jobs, training programs, life in urban centres, the problem of adjustment, etc. Broad vocational counselling, aimed at helping these people to use existing training and job programs is extremely important in the over-all program to improve their economic position.

CONCLUSION

A more concerted and purposeful attack on poverty in Saskatchewan is required. The challenge, in the short run, is to alleviate the conditions which today thrust many Saskatchewan families and individuals into involuntary poverty and hold them there. In the long run, the challenge is to prevent the development of these conditions. The aid should be to identify

those measures that will meet this challenge effectively and economically, but also compassionately, taking care to preserve the human dignity and freedoms which our society cherishes.

To deal with poverty a more co-ordinated effort on the part of all governments and social services will be required. Of particular importance is the educational system. It is widely recognized that for alleviation of much of the poverty that exists today, educational opportunities are required.

It is ironical to note that most "experts" agree that people will require retraining for three different jobs during their lifetime and yet, society is not supplying a large percentage of its population access to a level of education deemed essential to accomplish this.

We agree that all persons do not have the same abilities. However, many of the available jobs in industry, etc. require trade skills and the ability to reason and not university degrees or high school diplomas.

It appears that a more concerted effort will be required in the field of education, utilizing more counselling at all levels, an incentive of some kind to try to keep children in school longer, increased number of vocational and trades training programs.

During the past 15-20 years, Saskatchewan's agricultural cash receipts have dropped from approximately 23-24% to 20-21% of the Canadian total. This year, due to poor markets for wheat, Saskatchewan's share will drop to about 18%. As a result of changes in world market needs and problems of our institutions in adapting to changing market needs and problems of our institutions in adapting to changing market conditions, Saskatchewan agriculture is witnessing an abnormally low income situation.

What will be required to improve the income position of Saskatchewan rural farmers and farm workers?

It is imperative that markets and market potential for farm products be established and this information be made available to the producers. A serious investigation should be made of Saskatchewan advantages, relative to other areas in Canada and throughout the world. Once this is established the entire agricultural and food industry must adapt if success is to be achieved.

MARCH, 1970

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APPENDIX "B"

CANADIAN AGRICULTURE IN THE SEVENTIES

Report of the Federal Task Force on Agriculture

THE LOW-INCOME SECTOR

INTRODUCTION

The most perfect of economic plans is impractical and unacceptable unless it fully takes into account the human factor. The really poor one-third of the farming population is the sector which puts to the test the humanity and perceptive sensibility of planners. Before committing plan to drawing board a difficult concept must be learned and subjectively evaluated; the concept is that of poverty itself. The economic measure of income is not a sufficient measure. The poor are deprived of many things taken for granted by society, let alone an affluent society. Money is a factor but for the poor so are warmth, the opportunity to talk and be listened to with respect by someone outside the family, or a dentist within reach. How does the community reach poor people? How effective are Canadian methods of trying to reach them? What better ways can be tried to reach and do something for the rural "economic drop-outs"? The answer is not simply economic efficiency, productivity and viability.

The view is widely held that, of 430,000 farms in Canada in 1966, only a third or so are large enough, by today's standards, for long-run viability. The remaining two-thirds are by no means homogeneous but appear to fall into two groups of about equal size—a "middle" stratum of the moderately well-off, and a bottom stratum of about 100,000 who live in poverty. The middle stratum includes part-time and full-time farmers of varying degrees of success and for whom the future holds many uncertainties. Well-designed long-term policies are needed to ensure that some, in the middle stratum, move up to full economic viability that successful part-time patterns endure and that those better suited to other occupations can make the transition out of agriculture. However, the only factor distinguishing this group from the "poverty" level group below is that most of the present needs of its members are met, at least at a minimum level. There is no guarantee that ability, initiative or the spirit of

co-operation is any more prevalent in the economically mediocre group than among the still less fortunate in the poverty group.

Will Time Solve The Problem?

The continuing exodus from agriculture and in particular the declining number of small-scale farms (a drop of 100,000 in the five-year period ending 1966) encourages hopes that no special programs are needed to alleviate farm poverty. If one simply projects the 1961-66 trend, the number of small-scale farms remaining in ten years time would be very small. Unfortunately, a closer examination of the composition of this "trend" produces no grounds for optimism.

Roughly 50 per cent of the reduction in the small farm sector in the early sixties was due to expansion which placed farms into "sales classes" higher on the scale. This kind of upward mobility is very closely related to increasing sales in agriculture as a whole (from \$2.3 billion in 1961 to \$3.3 billion in 1966—an increase of 50 per cent). It would be most unwise to count on a 50 per cent increase every five years.

The other half of the decline in the number of small farms 1961 to 1966 represents the dissolution of farms as individual entities, as men quit farming altogether. While this group includes those farmers who left farming for other jobs, their numbers were relatively small. It is largely death and retirement of older operators which takes men out of agriculture. This means that, unless out-migration is greatly accelerated, the projection of further reductions in the small-farm sector is very closely related to age structure.

The analysis of census data is necessarily limited to the *net* change in numbers of farm operators between 1961 and 1966. One cannot know how many men left farming because the 1966 count includes men who

entered farming in the five-year period as well as those who were farming in 1961. However, it can be shown that *net* withdrawals were limited to the age groups over 55 years in 1961: the latter showed a net decline of 62,000 operators whereas the age group under 55 years recorded a net *gain* of 12,000 operators. The calculation of net withdrawals is shown in the Task Force Position Paper.¹ The calculation is based on all operators but it is reasonable to suppose that the pattern for small-scale operators would not differ greatly.

Age of small-scale farm operators in 1966 is summarized as follows:

	No.	Per Cent
Under 45 years	84,277	36
45 to 54 years	62,032	26
55 and over	91,548	38
	337,857	100

Many of those in the third group (age 55 years and over) will leave farming shortly; using the rate obtained from 1961-66, one can predict the disappearance of approximately 40,000 small farm operators in the next five years. But what of the large group of under 45's and those in the middle years, the men who entered farming after World War II? Since both groups had a *net gain* between 1961 and 1966, it is evident that significant reductions in the under 45 years class cannot be predicted unless there are much more effective policies to take men out of farming; in fact, it seems likely that policies to limit entry would also be necessary. The middle category presents even greater difficulty. Still well below retirement age, these are men with low mobility into other occupations and it is difficult to see significant reductions in their numbers over the next 15 to 20 years.

In short, the "small-farm" problem will be present for some years yet,² and it is likely that the numbers of the "really poor" will decline slowly because such a large proportion are middle-aged. Younger operators

are under-represented in the poverty sector because so many have made an adjustment through part-time farming. It is possible that the numbers in the poverty sector will shrink through further extensions of supplementary earnings. It is also likely that the "poverty line" of \$3,000 income will have to be increased and that technological change will continue to push into low income levels those units which are not suited to rapid change.

REVIEW OF EXISTING POLICIES

Improving Off-farm Opportunities

The most attractive answer to the problem of low incomes in agriculture is that labour move to employment in other industries. The process has been going on throughout the post-war era. Some difficulty was encountered during Canada's years of stagnation 1957-62, when unemployment averaged about 6 percent. In the last half of the sixties the Federal Government has added a manpower mobility and training program which attempts to help the under-educated and inadequately trained.³

Training programs: Manpower programs are important; they do much to upgrade the labour force and to see that labour market requirements are matched by a qualified labour supply. Their role in reducing the numbers of farm poor, however, appears limited. The best hope is that Manpower programs will provide good non-farm alternatives to younger operators, to the sons of marginal farmers and to other rural youth who are ill-equipped to become modern farmers. This in itself would be a major contribution but it is unrealistic to look for any great impact in the ranks of the middle-aged who make up a high percentage of the farm poverty sector today.

Even to reach younger operators poses problems. For example, most training courses require at least a Grade 10 standing. This is not an insurmountable barrier since upgrading courses are offered from the

¹ See *Low Income Sector in Canadian Agriculture*, a paper prepared for the Canadian Agricultural Congress by the Federal Task Force on Agriculture, Ottawa 1969, Table 3.

² Tending to confirm our view that off-farm migration will lead to no more than minor reductions in the poverty sector are some American statistics on farm population. In sharp contrast to the annual reduction in numbers of farmers over the past 30 years, the counts at January 1968 and January 1969 revealed no change. Tentatively, officials of the U.S. Department of Agriculture infer that the period of large scale movement to the city has ended; the farmers who remain, by and large, are expected to live out their lives on the farm. The facts are less well documented in Canada but it is probably safe to assume that the heart of the poverty problem centres on farmers in their middle years.

³ The main services offered by the Department of Manpower and Immigration (established 1965) are educational up-grading and job training, information on job supply, and assistance to those moving to high employment areas. Most of these services have a longer history but have been expanded or given new emphasis since 1968.

Grade 7 level (and in a few training centres, from Grade 4). Obviously, however, efforts of this kind will not appeal to every marginal farmer whose education is deficient.

"Reaching" rural people with training programs: "Reaching" rural people who could benefit from training and other Manpower services is difficult. Observers of the American Manpower Development and Training Act, five years after its inception, report that programs to enhance mobility have been very limited in effect in rural areas. It is reasonable to assume that the problems are similar in Canada considering that only the unemployed have been eligible for moving grants and loans—the number of Canadian farmers who have been helped to move to jobs must be almost nil.⁴ More effective penetration of rural areas is possible given new techniques such as mobile clinics. It is justifiable to intensify efforts to train rural youth for non-farm employment but not necessarily so to train established farmers. Income levels for low-skill occupations in the city are also very low and living costs are higher. A study of rural-urban comparisons in the Atlantic provinces and the Gaspé, concluded that those remaining in depressed rural areas were right not to move.⁵ While this judgment applies to workers without special training (which would improve the picture) it is essential that no general decisions on training and moving be made without asking such specific questions as what training? For what jobs? For what pay?

A trap to be avoided is that of regarding a small payment to a low income producer as wasteful but considering the alternatives—a large welfare payment or expenditure on training—as somehow more desirable. Thus, a small income supplement which keeps a 50 year old milk producer in operation in his own community (albeit depressed) is not necessarily less desirable than a program which trains him, moves him and *perhaps* employs him for a few years at a "viable

wage". Keynes made an interesting observation thirty years ago on a similar point.

It is curious how common sense wriggling for an escape from absurd conclusions, has been apt to reach preference for *wholly* "wasteful" forms of loan expenditures rather than for *partly* wasteful forms, which because they are not wholly wasteful, tend to be judged on strict "business" principles. For example, unemployment relief financed by loans is more readily accepted than the financing of improvements at a charge below the current rate of interest. . . .⁶

High employment levels: Emphasis must be placed on job supply as much as on labour mobility. Non-farm employment as a solution to the problem of low income farmers, faces competition from the unemployed (432,000 in April 1969), and about 200,000 additional workers joining the labour force each year, as well as from the low income people of rural Canada. Of a similar situation in the United States, M. L. Upchurch concluded:

With present rates of growth in the labour force and a flood of urban youth to accommodate, the prospects for solving the rural poverty program by outmigration appears dim.⁷

Bringing Industry to Rural Areas

The Canadian anti-poverty program has also attempted to create new jobs in economically lagging areas through financial incentives influencing the location of plants.⁸ The program seems not to have worked with equal effectiveness in all areas.⁹ The Georgian Bay region, for example appears to have derived great benefit, both in terms of increased employment and the introduction of "growth" industries which, in turn, have led to significant improvements in wage levels. In New Brunswick however, the impact of ADA

⁴ In 1966-67, only 2,100 persons in Canada received loans or grants for moving. Eligibility requirements have been eased, in 1969.

⁵ Jane A. Abramson, *Barriers to Population Mobility*; Centre for Community Studies, June 1968. A similar inference may be drawn from Bishop's study of migration which showed little reluctance among rural people to take advantage of *bona fide* employment opportunities even if the change meant moving long distances. C. E. Bishop, "Economic Aspects of Migration from Farms in the United States". *Labour Mobility and Population in Agriculture*, Ames, Iowa, State U. Press, 1961.

⁶ Keynes, J. M., *The General Theory of Employment Interest and Money*, Macmillan, 1969, *A Brief on the Work of the Area Development Agency Program Assessing its Impact on Poverty*.

⁷ *Journal of Farm Economics*, May, 1964.

⁸ The program began in 1963 under the Area Development Agency of the Dept. of Industry. Somewhat modified, the program in 1970 is directed by the Dept. of Regional Economic Expansion.

⁹ Research on this subject is still preliminary. See Special Senate Committee on Poverty, 1969, *A Brief on the Work of the Area Development Agency Program Assessing its Impact on Poverty*.

grants is believed to have been rather small. In New Brunswick the new industries established were more traditional (most of them were resource-based), gave chiefly low-skill, low-wage employment and generally failed to find industrial linkages through which secondary employment might have been generated by the ADA plants. A main reason for the better results in the Georgian Bay area is obviously the proximity to major markets in southern Ontario. As the authors of the study point out, it is probable that industry would have been moving in within ten years anyway, and that ADA's chief contribution lay in speeding up the process. In areas which have no real advantages to begin with, industrial incentives may be quite incapable of sparking genuine development.

Rural "industrialization" is highly relevant to a discussion of the farm problem because "bringing industry in" is the solution most strongly favoured by a great many farm people. It is the dispersion of industry to rural backwaters that is wanted by a high percentage of political supporters, although it does not always work. The ADA program in New Brunswick, it is agreed is a weak type of development. In fact, industrial dispersion of this type is no longer an objective of policy. Instead the industrial incentives program is now strongly oriented to locating industry in larger towns and cities which are to act as "growth centres".

In summary, industrial incentives seem capable of adding to employment in slow-growth regions through development of growth centres. A good case could be made for location grants to meet the growing problem of congestion in the larger metropolitan area, establishing industry in satellite cities and in smaller centres having good transportation links to existing industrial areas. Growth centres of this kind might be particularly helpful to rural people in increasing the availability of part-time employment. However, there can be no thought that incentive grants or any government programs have the power to put industry wherever there are farm and other rural people in need of employment. Finally, as with Manpower policies, it is unlikely that off-farm employment can draw off large numbers of farmers from the poverty category.

ARDA

The main thrust of the Canadian poverty program in rural areas has been provided by the Agriculture Rehabilitation and Development Act of 1961. The

thrust has been considerably blunted because ARDA was never simply an anti-poverty program. The major objectives are (1) to raise incomes "in rural areas", including farmers generally, not merely the poor and (2) to improve resource use both as a means to raise incomes and as an independent objective.¹⁰ The latter—improved resource use—underlies a high percentage of the major ARDA programs.

As noted, it is possible to divide Canadian farmers into three roughly-equal economic groups. One group is viable, one is neither well-off nor poverty-stricken, and one is below the poverty level. ARDA programs have been of much greater value to the middle group than to the poverty-level group, largely because of ARDA's emphasis on improving resources and resource use. The purchase of marginal land for parks, recreation or forestry may bring about improved land use and provide poverty-level farmers with immediate cash from their sale of property but it does little to provide them with an alternative source of livelihood. Help offered farmers on their land often involves heavy expenditures on drainage and clearing; small farmers find that they are not in a position to take on the substantial obligations involved but the middle group are better able to do so. In the case of community pastures, which represent a major ARDA expenditure, the chief beneficiaries have tended to be viable or middle income farmers.

While there is no doubt that some small farmers have received extra income through ARDA programs, public funds could have had greater effect on those below the poverty line if programs had been selected from the stand-point of how best to relieve poverty rather than to improve the use of the land.

Recognizing this indirect limitation, the second ARDA agreement (1965—renamed Agricultural and Rural Development Act) provided a new cluster of programs intended to speed the removal of small-scale operators and to channel land thus released to operators who could become viable. The programs deal with impediments to the natural process of farm consolidation: on the sellers' side stagnation in the land market are offset by ARDA's willingness to purchase farms; the lack of knowledge concerning off-farm opportunities or lack of money to retire is countered by help in contracting Manpower services and providing income supplements to retiring farmers. On the buyers' side ARDA helps expanding farmers gain access to land, often at lower cost. Farmers also receive

¹⁰For a more extensive discussion, see H. Buckley and E. Tihanyi, "Canadian Policies for Rural Adjustment, A Study of the Economic Impact of ARDA, PFRA and MMRA." Prepared for Economic Council of Canada, October 1967.

grants for land improvement, loans and individual counselling services to improve prospects for the consolidated farm unit.

Farm consolidation is now a major ARDA program in Ontario, Quebec, Nova Scotia, P.E.I. and the Interlake area in Manitoba. On the face of it, the programs appear admirably suited to effect the kind of adjustments most needed. Certainly, excellent work is proceeding. On closer examination, however, there seems to be two serious defects.

What happens to farmers selling out? The consolidation program improves the lot of those sellers who are suited to enter the federal Manpower program provided Manpower services are readily available. A commendable feature of the Ontario plan is the supply of counselling staff to assist the Manpower program in rural areas. For older operators it may work the other way, however, because the average purchase price is too small to guarantee retirement income.¹¹ The same could be said of the poorly-educated and the ailing, too young to retire but not easily fitted into the labour market. These difficulties are surmounted in the FRED program for eastern Quebec which explicitly provides social assistance to any sellers not moving into the Manpower program. Ontario offers limited income supplements (to bring total income to \$1,200) to sellers in the age group 55 to 64 years.

Another important consideration is the likelihood of farm assets increasing in value in any area with an active land market. On average the value of land and buildings of small farms increased by 50 per cent between 1961 and 1966. The appreciation must be taken into account as a form of income. It must therefore, be very clear that the total income which sellers can earn later will exceed their small farm income, any part-time earnings and the appreciation of farm values, before sellers are encouraged to sell their farms. At times the desire to encourage consolidation seems to have become almost an end in itself and has obscured the question of what happens to those who have sold out.

A second question is whether a tendency exists to help farmers who do not need it. Turning to the buyers' side, it seems generally agreed that farm consolidation programs are not for farmers in the very low income levels but for those in an intermediate position—neither well-off nor poverty stricken. Where farms are small, even a doubling in size may add only a

few hundred dollars in income and the costs incurred (by the farmer as well as by ARDA) are likely to be disproportionately large. One can therefore agree with the prevailing ARDA view that farm consolidation programs are properly directed to a particular class of farmers; namely, those who do not quite meet the standards of existing credit sources but who, with some land added and a generous infusion of management services, would be able to obtain credit and ultimately, a position of full viability.

From the industry standpoint it is clear that these are the farmers to assist. The difficulty is that such farmers, by definition, are not the really poor. Desirable as it is to help them, it should not be thought that ARDA programs get through to effectively assist the really poor. Moreover, as the plan has operated in Ontario and possibly elsewhere, not all farmers qualifying for assistance could be said to lack access to conventional credit.¹² ARDA officials claim that this is due to special and temporary situations, notably the desire to establish large-scale ranching units in northern Ontario and the absence of a suitable candidate in other areas where land had been purchased. From Manitoba's Interlake comes evidence that larger farmers from outside the district where programs apply are purchasing land under the consolidation plan.

Looking at the positive side of the land consolidation program, it is clear that under its auspices, ARDA field staff are providing services which have long been needed in areas such as P.E.I. and the Gaspé, and have demonstrated an impressive ability to deal with such problems as fragmented land parcels, low levels of farming knowledge and lack of money for expansion. The program provides a service of benefit to the "middle stratum" of neither well-off nor poverty stricken.

In principle, ARDA is a new approach to the problems of low income people in an industry going through evolutionary change. Instead of the traditional approach of trying to raise low farm incomes by increasing prices of the products sold, ARDA attempts to bring about structural changes in the farm units themselves and in marginal rural communities. Unfortunately, ARDA now suffers from excessive expectation by its early supporters; the principles have been hard to translate into practice and into effective programs and results. It is to be

¹¹ \$5,000 in Nova Scotia, \$6,000-\$9,000 in Ontario.

¹² Data for the first year of operation in Ontario, reported by size categories, showed the consolidating farmers to have average assets above \$35,000 and above \$50,000 in 40 per cent of the cases.

expected when attitudes must be re-examined and changed by the people holding them (nor only the poor but also government officials); it is expected when attempts are made to promote local participation and leadership, and when research and administrative experience in this direction are in short supply.

The disappointment remains. The range of programs offered under ARDA is still surprisingly narrow. The choice of programs (which rests with the provinces) reflects varying interests and financial ability but as a general rule programs of industry-assistance have tended to take precedence over attempts to deal with rural poverty as such.

FRED

At mid-1966, the commitment of federal funds under ARDA amounted to \$62 million of which about half had been spent. Contrasted with the \$85 million to be shared between the Federal government and a single province to implement a plan in Manitoba's Interlake (pop: 58,000), the scope of comprehensive area planning as provided by FRED (Fund for Rural Economic Development)¹³ is placed in better perspective. In most cases FRED plans represent an all-out attack on poverty, co-ordinating the services and programs available elsewhere and adding to them.

FRED plans in Gaspé and the Interlake provide for drastic reductions in farm population to a point defined by the number of viable farms the resource-base will support. A high proportion of the redundant farmers are treated as probable retirements and the number of farmers to be accommodated under Manpower programs is relatively small. Manitoba planners have not specifically dealt with the problems which retirement may pose. Although it may be assumed that provincial welfare services will automatically be extended to low income farmers who cannot be fitted into Manpower programs, one feels that Quebec's approach is more deserving for the explicit recognition of this need. Under Quebec's plan, any farmer who moves out of a marginal parish is eligible for welfare as well as for training. Further flexibility is evidenced in the provision for a semi-retirement category: older operators are assisted to undertake a modest expansion in their farm operation if they so desire.

Under FRED is massive investment in education upgrading, training and manpower mobility. There is an attractive special feature of the Quebec plan which recognizes that not all individuals are capable of rapid absorption into the labour force. Given their present level of general and vocational training provision is made for a second group of trainees requiring "special rehabilitation programs over a more or less long period". These, presumably, are from marginal farms, have a very low level of education and a long history of dependence on welfare.

Much of the total cost under both the Manitoba and Quebec plans for field workers, who are in the communities to make opportunities known, to advise on access to government programs, to supply individual and group counselling services, to assess prospects for individual farm units and advise on expansion where feasible.

Industrial development seems to have been given less emphasis than training and mobility, although certainly there will be large investments in infrastructure. Strong efforts are also to be taken to encourage growth of industry, notably tourism. Quebec plans make out-migration an explicit objective; the Manitoba plan gives more emphasis to increasing employment within the region.¹⁴

Quebec offers a bold approach to the fact that some people will usually remain in marginal communities whatever is done to increase mobility. Incentive grants will be paid to encourage not just single families but all families to move out. Three larger towns within the region have been designated as growth centres and these will receive grants for municipal services to meet the influx of an anticipated 2,500 families, mainly low-income.

An important feature of both plans—one which greatly improves the chances for "success"—is that community consultation was assigned a high priority in the planning process. It appears that the wishes or priority demands of residents are reflected, insofar as it was possible to do so, in the priorities of the plans themselves. It seems that slow progress in implementing the plan for north-eastern New Brunswick, where community consultation was not a prominent feature,

¹³ FRED plans have been launched or announced for: the Interlake; Lower St. Lawrence-Gaspé; two regions in New Brunswick and one for the Province of Prince Edward Island. A plan for nine counties in Nova Scotia was pending in 1969.

¹⁴ This may be related to the Interlake's special problem of Indian-Metis predominance among the poor. If this is so, it appears that the problem of lower capacities for the adjustments imposed by migration is not necessarily best handled by single-minded concentration on creating local jobs—which may not go to the Indian and Metis in any event. Quebec's provision for special rehabilitation programs appears more appropriate to meet this problem.

reflects the failure to win full acceptance for goals and procedures in the communities concerned.

DEFINING THE LOW INCOME SECTOR

Anyone dealing with the question of low incomes encounters problems of definition and measurement. The first is a problem of concept—what is a “low” income? Is it low relative to one’s needs or desires—if so the same money income may be low for one person and high for another, or low in a community where living standards and cost of living are high and high in a largely self-sufficient community. In practice, the technique has been to ignore individual aspirations and to select, fairly arbitrarily, a level of income based largely on physical needs. Thus the Economic Council of Canada in its Fifth Annual Review, defined as a state of poverty in 1961 an income of \$1,500 for a single person and \$2,500 for a family of two, with an extra \$500 for each child.¹⁵ No regional variation was introduced.

The second problem is one of measurement. In the case of farmers this is particularly difficult because farm income data relate to cash sales rather than net income, because income data are not related to size-of-family data and because farm income data are not related to off-farm incomes. Farmers with good wages from a second job must be distinguished from other part-time farmers who earn next to nothing in non-farm employment. A small farmer with the old age pension will fare much better than his younger neighbour with similar farm income. Large families live in straightened circumstances where a couple might find the income adequate. Added to these and other limitations of income statistics are the limitations of income as a measure of poverty. For example some farmers reporting low farm incomes have nevertheless accumulated substantial assets over the years. Even if assets are modest, the older farmer who owns his home may be distinctly better off than a low income tenant of the same age in the city or in the country. On the other hand, there are many low income farms (particularly in marginal areas) whose capital value is very low; pension plans are absent and the owners are likely to be extremely hardpressed as physical powers decline.

It is apparent that “low incomes” and “small farms” tend to be associated fairly closely, although they are not identical, as explained above. Without attempting any precise definition of what constitutes “commercial” agriculture it is safe to characterize as small or “non-commercial” those farms reporting under \$5,000 gross sales. About 238,000 such farms were enumerated in the 1966 Census, 55 per cent of all farms in terms of numbers account for only 14 per cent of agricultural production. The total value of sales from this sector equals the sales from 6,000 or so of the largest farms.

The small farm sector so defined includes 75 per cent of all farms in Quebec and the Atlantic provinces, the northern fringes of Ontario and the Prairies. Small farms are by no means confined to these areas, they are found in higher income areas too; about 30 per cent of all small farms are to be found in the Prairies and Ontario (excluding their northern fringes and Eastern Ontario).¹⁶ Also 35 per cent of the farms on the Prairies (excluding northern fringe) had sales of less than \$5,000 in 1965.

In spite of the problems discussed above, it is essential to ascertain the size of the low income problem in farming. Using the rough guidelines selected by the Economic Council in the Fifth Annual Review, a state of poverty is defined for a family with one child as an income below \$3,000 in terms of 1961 dollar values. Since data on farm income cannot be related to family size, subsequent discussion will assume an average family with one child. This figure has not been adjusted upward to meet the rise in price levels since 1961. On balance, then, the poverty-line of \$3,000 per farm family should be adjusted upward to meet the absolutely rock-bottom minimum in terms of the needs of most farm families in the 1970’s.

Consider the income from farming operations which may be inferred from gross sales reported to the Census. Calculation of net income (including income in kind and an imputed rental value of the farm house) suggests that farm sales of \$3,750-\$5,000 yield an

¹⁵ Economic Council of Canada, *Fifth Annual Review*, “Challenge of Growth and Change”, September 1968. Based on D.B.S. consumer expenditures surveys, the criterion is the inability to purchase much more than the basic essentials of food, clothing and shelter.

¹⁶ See *Low Income Sector in Canadian Agriculture*, a paper prepared for the Canadian Agriculture Congress by the Federal Task Force on Agriculture, Ottawa 1969, Table 3.

average net income of \$2,469.¹⁷ Since farms with lower sales have even lower incomes, this means that virtually all the 238,000 farms below \$5,000 sales in 1966 would have less than \$3,000 in farm income; a large number would be well below the \$3,000 line.

The average of approximately \$2,500 is well below the \$3,000-\$3,500 poverty line. This allows some leeway for such factors as: (1) gross sales tending to be under-reported in the Census, (2) imputed rental values of the farm house being below the cost of equivalent accommodation in urban areas and (3) minor supplementary income of a kind not included in the calculations below.

Certain farms in the over \$5,000 sales class are doubtless near or below the poverty line defined above but with average assets of \$43,000 (in the sales class \$5,000 to \$7,499) it seems best to exclude the group as a whole in attempting to measure poverty.

However, among the 238,000 small farms (less than \$5,000 sales) in 1966, about 45 per cent of the operators had some off-farm work and 15 to 20 per cent had full-time or almost full-time jobs. Altogether, the

small scale operators contributed 18 million days of work to non-farm industries in 1966. The earnings received are not known but even at moderate wages (say \$15 a day) an additional \$270 million income could be added to the \$460 million that small farmers derived from sales of agricultural products. Obviously off-farm earnings put many small farm families above the poverty line. The question is, how many? The following calculations in Table 1 supply an approximate answer:

- Net income from farming (average for each of five census sales categories) is subtracted from the \$3,000 poverty line. The difference called "income deficiency"—indicates the amount of non-farm income needed to put the family over the line;
- “Income deficiency” is converted into “days of work” needed, assuming an average wage of \$15 a day;
- the number of small-farm operators reporting that much work or more in the 1966 Census is then simply listed. The last column contains those reporting no off-farm work or not enough.

TABLE 1
Off-Farm Income of Small Farm Operators, Canada 1966

Gross sales per farm	Estimated net income from farming	“Income deficiency”	Days of off-farm work needed	Small farm operators reporting	
				enough days ¹	not enough days ¹
	(dollars)	(dollars)			
\$3,750-4,999	2,500	500	33	11,201	
2,500-3,749	1,900	1,100	73	12,078	
1,200-2,499	1,200	1,800	120	15,875	
250-1,199	500	2,500	166	18,681	
50- 249		3,000	200	9,961	
Total				67,801	170,000

¹ Enough, that is to produce net incomes of \$3,000.

¹⁷ From J. M. Fitzpatrick and C. V. Parker, “Distribution of Income in Canadian Agriculture,” *Canadian Journal of Agricultural Economics*, 1965. Although the relationship between net and gross was calculated from the 1958 survey data, the fact that D.B.S. aggregates for net and gross showed precisely the same relationship in 1966 (net income = 45 per cent of cash receipts in both years) seems to mean that approximately the same net income should apply in 1966 for the several sales categories. For greater detail on the points covered here and below, see the Task Force Position Paper cited in footnote 16.

One limitation of the estimate is the assumption that off-farm work of any kind returns the same income of \$15 per day. In fact, there are substantial variations. In low-income rural areas where dual employment takes the form of small-scale farming combined with fishing, forestry or casual labour, non-farm earnings are also low and rural wages tend to lag behind urban standards. Elsewhere, however, many of the part-time farmers are better trained and commute to jobs in factories, mines or operate road maintenance and construction equipment for relatively high wages.

The method used above is crude, admittedly but it is not without supporting evidence. By linking a sample of farm operators from the Census of Agriculture and the Census of Population for the Census year 1961, D.B.S. has data presenting actual off-farm wages and salaries by farm operators. Adding wages and salaries to net farm income by sales categories produces a second calculation of numbers over and under \$3,000 income (farm and non-farm combined) and one which inspires more confidence than estimates based on the number of days worked. Nevertheless, the two methods produce strikingly similar results for 1961: 16 per cent of all small-scale farmers are moved over the poverty-line by virtue of "enough days" compared to 13 per cent reporting enough wages and salaries. The latter can be raised to allow for income from self-employment; if we add those reporting self-employment income from non-primary industries, the second estimate is moved to within one percentage of the first.

The "days of work" method followed in Table 1 produces reasonably satisfactory estimates for 1966. It is apparent the majority of small-farm operators cannot be removed from the poverty category on the basis of their off-farm earnings. Although the amount of off-farm income is large in the aggregate, when added to farm income it still leaves two-thirds of all small farms below the poverty level of \$3,000. Thus in 1966 there were 170,000 small-scale farmers who earned less than \$3,000 from farming and other employment combined.

These men were truly "low-income farmers", yet not necessarily heads of "poor" families. Still further qualifications are in order. Firstly, family size as well as financial responsibilities generally decline with age and therefore certain elderly operators could be reasonably well off with less than \$5,000 gross sales. Secondly, a variety of supplementary income sources are available over and above the operators' earnings from employment; these include earnings of other family members, pensions, rents, dividends and interest, family allowances, welfare assistance. Rough

calculations from 1961 Census data suggest that "other sources" (including pensions received by the elderly) might remove as many families from the poverty category as were removed by the operator's earnings. In round numbers this results in a figure of approximately 100,000 farm families comprising the poverty sector.

CONCLUSIONS

There seems to be three categories of farms. First, there are the large farmers with substantial incomes; these are the people who receive most benefit from research, extension, price subsidies and similar programs. Second, there are those farmers whose incomes are not large but who are not below the poverty line. Among these are some large farmers whose operations are not very rewarding, some small part-time farmers with considerable non-farm income and some of the more successful full-time small farmers. Third, there are the very poor—those whose income from all sources falls below \$3,000 per family per year. Most of these are small-scale farmers; some are part-time but their off-farm income is small.

Of these three groups, the first is not considered in this chapter but is given a prominent place in all other chapter of this Report. The second is being assisted to a considerable extent under ARDA programs such as land consolidation, drainage improvement and other resource oriented activities. This is desirable, because without assistance many of this group could slip into the poverty category. The third group—the really poor—have been largely missed by programs up to this point with the exception of those in the FRED areas. For those in this group who are above 45-50 years, with few alternative skills, the best programs are probably those which keep them on the farm, help them make some minor improvements, provide income supplements and encourage their children to higher levels of education and to broader perspectives.

There appears to be about 100,000 farm families living in poverty in Canada even after non-farm income has been added to farm income. Only about one-third of the heads of these families are under 45 years of age—the more mobile age group. For many of the remainder it would be difficult indeed to shift to new locations and to new occupations.

Policies followed have been of three types: a Man-power program to move men out of agriculture and into urban jobs; a program of industry dispersion to make more jobs available in outlying areas and smaller centres; and finally, a number of rural-oriented programs under FRED and farm-oriented programs under

ARDA ranging all the way from single farm adjustment to comprehensive area planning intended to bring about basic structural changes in regions and communities. All three approaches are desirable.

The first and second are primarily appropriate for younger people, the third for older people. More specifically, ARDA programs have been more relevant to the "middle stratum" of farmers—not well-off yet not poverty-stricken—rather than to the 100,000 or more poverty level farm families. Programs to strengthen the middle sector are desirable, certainly but the Task Force disagrees with the view that farm programs can only be directed to the nearly-viable and that all below this line are problems for the Manpower program—or for welfare. The programs which are supposed to take men out of agriculture are not going to remove the poor in large numbers. When these programs are evaluated realistically, it is obvious Canada has little to offer hard-core farm poor in most parts of the country.

Other than the welfare programs (which appear to fall short of urban standards and certainly suffer from comparisons with welfare programs in other countries) and some promising beginnings under FRED, the lowest-third in agriculture lies almost beyond the reach of present policies. Conversely, public policy must not be directed exclusively at the poor. It would be a tragedy to neglect those who are "moderately well-off" lest they become the poor of the 1970's. Nevertheless, it does appear that it is the poor who are not being adequately served by present policies.

RECOMMENDATIONS

1. Strengthen the Manpower Services Available to Farmers.—Fortunately the naïve laissez-faire position concerning low-income farmers "If they cannot make a good income in farming, let them do something else" has become discredited. It is in the national interest to help at least some of them become capable of doing something else and to help the remainder avoid living in poverty and indignity. Specific proposals to assist low-income farmers include:

(a) The creation of 10 mobile clinics in 1970-1971 in order to improve the "reach" of the Manpower program by taking to rural people the services which are now concentrated in urban centres. The mobile clinics are useful in several ways. They provide information on jobs, training opportunities and urban housing and access to a full range of counselling services both in rural communities and (for those who

move) in receiving centres. The mobile clinics should also call at rural schools in order to discuss careers and point out the relevance of mathematics, English and other subjects to the jobs of the 1970's and 1980's. It cannot be stressed too often that with a working life of 45 years, a young man of 18 can condemn himself to poverty by not devoting a few more years in improving his qualifications as a worker. Mobile clinics need not be large; they might cost \$100,000 each per year.

(b) The creation of small offices in major cities to help those who move to find housing, to be aware of social services available and to solve family problems arising out of the move from rural areas into major urban centres. Close co-ordination will be required between the mobile clinics and the existing Manpower centres on the one hand and the proposed major city offices on the other.

2. Higher Levels of Employment.—The extension of training and mobility services also presupposes that jobs are available somewhere. Merely to increase the number of rural clients will do little good if unemployment rates are high in cities. Policies which can create new employment opportunities are absolutely fundamental to war on poverty. Canada's record toward achieving the goal of full employment since 1954 has been poor; only in 3 years (1956, 1965, 1966) has less than 4 per cent of the labour force been unemployed. This poor employment record makes the 55 per cent decline in the farm labour force between 1946 and 1968 all the more remarkable.

3. Improved Education.—Although educational disparities between farm and city and among regions are not new, what is new is that unskilled labour—the traditional route out of agriculture—confronts a declining demand. The changing nature of labour force demand requires higher levels of education among rural people.

The alternative is to continue to suffer the ill-effects of an indigestible surplus of under-educated and inadequately trained, both in urban centres and trapped on the farm. While it is essential to distinguish between formal education arising from the municipal-provincial school system and skill training provided by Manpower, both are necessary to meet the problems of poverty. While all provinces are making efforts to improve rural education, it is doubtful if the poorer provinces can spend enough to help. Even the wealthier provinces are disinclined to commit resources on the necessary scale. The need is not merely for larger school units or higher salaries but for whatever it takes to raise aspirations and make rural

students more nearly competitive in the labour market. This accounts for the proposal to create mobile Manpower clinics which would visit schools in order to discuss careers and education.

4. *Welfare and Social Services.*—Except for programs with universal coverage such as family allowances and old age security, present welfare services tend to serve the farm population much less well than city people. Unemployment insurance, for example, does not apply to farmers; health services are mostly poorer and disability allowances harder to obtain; many families live on provincial or municipal welfare at bare subsistence levels and in many districts the welfare budget is not adequate to cover all families in need. Because of feelings of independence or lack of knowledge of what is available, low-income farmers receive much less welfare assistance than low-income city folk. A Saskatchewan economist states that his province has 15,000 to 20,000 low-income farmers but less than two dozen on welfare. To ensure that welfare, health and other social services are actually made available to rural poor, the Task Force suggests welfare officers be designated in each county or equivalent in order to indicate the services available. The direct result of this proposal is increased welfare payments.

5. *Guaranteed Annual Income Plan.*—A variation of the guaranteed annual income plan is the negative income tax scheme proposed in the United States. The negative income tax would eliminate many existing welfare schemes. Under one system suggested all individuals and families whose incomes are too low to pay income taxes would receive a payment amounting to one-half of their unused exemptions and deductions from the Treasury. Variations on this basic proposal have become fairly common. "Schemes of this sort provide and confine income transfers to households which really need economic assistance; condition payments solely on the basis of family income and family size, thus achieving a degree of equity in the treatment of low-income households not achieved by existing income transfer programs; are more neutral with respect to resource allocation, might stimulate incentives to work".¹⁸ The incentive to work is built into the negative income tax plan through a rate structure which assures that no individual or family could be financially better off by avoiding employment.

A negative income tax program would embrace all sectors of the economy and not just agriculture and

must be considered in that context. A universal system has several advantages but does not necessarily mean more help for poor people than could be had from filling the gaps in present services. It is not necessary, therefore, to await the results of studies now in process which may or may not lead to the implementation of the negative income tax; the important thing is to improve services and increase coverage in rural areas, immediately and until such time as a better system is devised.

6. *Small Changes for Older Farmers.*—There are many older farm people for whom mobility to other locations and occupations is undesirable. The Task Force is of the opinion that in the interests of dignity and self-respect for the individual, it is desirable to keep the welfare sector as small as possible and that the naive view that they "ought to do something else" is untenable. It may be quite inefficient to provide retraining and moving expenses and incur all the personal and social problems involved, for a few years of higher wage employment. All things considered—the poor prospects for other employment, the importance of pride and independence and the fact that whatever skills and experience these men possess are as farmers—it may often be the "best solution" to seek small improvements in farm income.

It is plainly not feasible to raise every submarginal farm to commercial status, nor is it advisable to attempt too much improvement—for example, to encourage large and costly additions to acreage, where management is weak and the life expectancy of the farm unit perhaps no more than 10 or 15 years. Certain types of improvements involve costs that are high relative to the benefits which can reasonably be anticipated, as ARDA has shown. The technique should be to provide assistance which can bring about small changes, perhaps a change in the crop pattern or a little added land; improvements in organization leading to lower costs—minor improvements which would provide a small boost to incomes (a few hundred dollars, on the average) but requiring no large investment outlays. This policy is an exception, it is one that includes transitional programs for older farmers only. Guarantees must be set up to ensure younger farmers are and remain excluded from these special efforts.

The major input required from governments is the supply of advisory services. The Task Force envisages: extension workers specially trained to deal with the

¹⁸ Christopher Green in *Conference Report*, Canadian Tax Foundation, 1967.

lower levels of farming; to provide advice and encouragement on an individual farm basis and short-courses in the community, tailored to the needs of farmers not reached by existing programs. A few tentative steps along these lines have been taken in certain provinces (for example, in the FRED plan for eastern Quebec). Wider application raises at once the problem of availability of staff but it appears that the job does not have to be done by professionals. Alberta has used district farmers for advisory tasks in the Edson district; a spokesman for Manitoba's Department of Agriculture claims one of their most successful programs has been short courses given in local districts using "diploma course" graduates. The latter, it is felt, make better connections with small farmers than highly trained university graduates. The experience in eastern Ontario has been successful by operating on the same basis.

A major advantage of the above approach is that for the first time there would be staff with the responsibility for ensuring that programs do get to poor farmers who would be best off remaining as farmers.

7. *Community Approaches.*—Since net farm income is now only 5 per cent of national income, the Canadian economy can tolerate some inefficiency in the form of small-scale farmers. What cannot be tolerated is the bringing up of succeeding generations who are grossly handicapped for anything but a diminishing number of low-skill jobs. While young adults are leaving the rural areas in large numbers, it cannot be assumed that all are successfully absorbed in the urban labour force.¹⁹ Because educational standards are low, the presumption is that many secure a precarious foothold and that many come back.

The measures proposed above will assist farm families but not the communities where so many of these families live. "Terminal" aid for small farmers and enlarged welfare programs can hardly supply the tax base for radical improvements in education and other community services, yet such improvements are essential to improve the chances for the children of rural poor. Measures to encourage out-migration,

though desirable, intensify the problems of poor communities in that they remove customers of village merchants, lower the basis groups. These are the reasons why effective programs for rural poverty must include a community as well as an individual approach.²⁰

Comprehensive planning of the FRED type offers a number of promising leads; money for schools and roads; counselling services to acquaint people with alternatives; closing out of settlement in areas with no potential; strenuous efforts to increase employment in selected growth centres. This is a start but only a start—so long as comprehensive planning is confined to a few FRED areas in eastern provinces and an even smaller number of special development areas under ARDA. After all, the poorer districts in Ontario development areas under ARDA. After all, the poorer districts in Ontario and the Prairies contain three times as many low-income farms as the whole of the Maritimes.

While not suggesting that FRED be extended to all rural areas containing poverty, the fact is several key programs which account for much FRED expenditure are already operational—Manpower mobility; incentive grants; in some cases, land consolidation. Outside the FRED areas these programs operate without a framework of research and planning to indicate what the long run goals for the community should be and without community participation in selecting goals and means. Co-ordination of efforts among programs is likely to be minimal, and the response from people who do not understand or approve the programs may leave something to be desired. There must be increased co-operation and co-ordination among programs and government institutions in areas not covered by FRED.

8. *Publication of Research.*—ARDA has spent considerable sums on research concerning community needs and development possibilities but apart from a few reports, most of the research work has not been published and is unavailable. This is a mistake.

9. *Special Rehabilitation Programs.*—Because all people are not capable of rapid absorption into the

¹⁹ A recent survey of several parishes in the Gaspé and rural New Brunswick reported that only three of every ten offspring of rural families have moved to an urban place. "Given the large-sized families this means a high retention of offspring from such families in rural areas". Jane Abramson, *Barriers to Population Mobility*, *op. cit.*

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labour force, there must be provision in a few areas for special longer programs for those younger people who fail to meet the requirements of general and vocational training programs.

LOW-INCOME SECTOR

Chapter 16: The Low-Income Sector

1. Strengthen the Manpower Services Available to Farmers.—Fortunately the naive *laissez faire* position concerning low-income farmers “If they cannot make a good income in farming, let them do something else” has become discredited. It is in the national interest to help at least some of them become capable of doing something else and to help the remainder avoid living in poverty and indignity. Specific proposals to assist low-income farmers include:

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fundamental to war on poverty. Canada’s record toward achieving the goal of full employment since 1954 has been poor; only in 3 years (1956, 1965, 1966) has less than 4 per cent of the labour force been unemployed. This poor employment record makes the 55 per cent decline in the farm labour force between 1946 and 1968 all the more remarkable.

3. Improved Education.—Although educational disparities between farm and city and among regions are not new, what is new is that unskilled labour—the traditional route out of agriculture—confronts a declining demand. The changing nature of labour force demand requires higher levels of education among rural people.

The alternative is to continue to suffer the ill-effects of an indigestible surplus of under-educated and inadequately trained, both in urban centres and trapped on the farm. While it is essential to distinguish between formal education arising from the municipal-provincial school system and skill training provided by Manpower, both are necessary to meet the problems of poverty. While all provinces are making efforts to improve rural education, it is doubtful if the poorer provinces can spend enough to help. Even the wealthier provinces are disinclined to commit resources on the necessary scale. The need is not merely for larger school units or higher salaries but for whatever it takes to raise aspirations and make rural students more nearly competitive in the labour market. This accounts for the proposal to create mobile Manpower clinics which would visit schools in order to discuss careers and education.

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Comprehensive planning of the FRED type offers a number of promising leads; money for schools and roads; counselling services to acquaint people with alternatives; closing out of settlement in areas with no potential; strenuous efforts to increase employment in selected growth centres. This is a start but only a start—so long as comprehensive planning is confined to a few FRED areas in eastern provinces and an even smaller number of special development areas under ARDA. After all, the poorer districts in Ontario and

the Prairies contain three times as many low-income farms as the whole of the Maritimes.

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9. *Special Rehabilitation Programs*—Because all people are not capable of rapid absorption into the labour force, there must be provision in a few areas for special longer programs for those younger people who fail to meet the requirements of general and vocational training programs.

The analysis and recommendations of the Federal Task Force on Agriculture, as contained in this Report, are respectfully submitted for your consideration.

²² A recent survey of several parishes in the Gaspé and rural New Brunswick reported that only three of every ten offspring of rural families have moved to an urban place. "Given the large-sized families this means a high retention of offspring from such families in rural areas". Jame Abramson, *Barriers to Population Mobility*, *op. cit.*²³

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Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE

ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 43

MONDAY, MAY 25, 1970

WITNESSES:

Ontario Department of Social and Family Services: The Hon. John Yaremko, Q.C., Minister; Mr. M. Borczak, Deputy Minister; Miss D. Crittenden, Assistant Deputy Minister; Mr. W. S. Groom, Executive Director, Social Development Services Branch; Mrs. E. Etchen, Director, Planning and Research Branch; Mr. D. G. Heagle, Projects Co-ordinator, Planning and Research Branch.

APPENDIX:

"A"—Brief submitted by the Ontario Department of Family and Social Services.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche,</i> <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Monday, May 25, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll, (*Chairman*): Carter, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, MacDonald (*Queens*), McGrand and Quart. (8)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

ONTARIO DEPARTMENT OF SOCIAL AND FAMILY SERVICES:

The Hon. John Yaremko, Q.C., Minister;
Mr. M. Borczak, Deputy Minister;
Miss D. Crittenden, Assistant Deputy Minister;

(Biographical notes concerning the above witnesses immediately follow these Minutes.)

Mr. W. S. Groom, Executive Director, Social Development Services Branch;
Mrs. E. Etchen, Director, Planning and Research Branch;
Mr. D. G. Heagle, Projects Co-ordinator, Planning and Research Branch.

The brief submitted by the Ontario Department of Social and Family Services was ordered to be printed as appendix "A" to these proceedings.

At 12.40 p.m. the Committee adjourned until Tuesday, May 26, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

BIOGRAPHICAL NOTES

Hon. John Yaremko, B.A., Q.C., LL.D. Minister of Social and Family Services for Ontario, Member of the Ontario Legislature—Bellwoods Riding—Toronto since 1951.

General Data—Born in Welland County, Ontario, 1918. Son of George and Mary Yaremko, who immigrated to Canada in 1912. Father was a labourer with Steel Co. of Canada. Second eldest of 11 children. Grew up in Crowland Township, Welland and Hamilton. Alderman at age of 14 on Hamilton Municipal Boy Council 1932, served on that Council's Social Service Committee, was Boy Scout. Was able to put self through school by working on farms while in high school and at Steel Company of Canada during summer holidays, and at night while at U. of T. and Osgoode Hall Law School and by winning scholarships and prizes. Served in Armed Forces: Lieutenant of Artillery C.O.T.C., U. of T.; Enlisted as private; promoted to Lance-Corporal; Commissioned 2nd Lieut. in Canadian Infantry Corps. Is member of: Canadian Legion Branch 360 (Past Officer), The Canadian Club, International Institute, St. Albans Boys' Club (a director), York County Law Association, Canadian Bar Association, Toronto Lawyers' Club—(a past president and trustee). Married; has lived in Bellwoods Area for 30 years; Wife has resided there since childhood. Address: 1 Connable Dr., Toronto 4.

Education: Graduate of Hamilton Central Collegiate Institute, Hamilton, Ontario. Was awarded the following: 1932—4th Medal, Junior Lower School; 1933—1st Medal, Senior Lower School; 1934—Erland Perney Gold Medal, Middle School; 1935—The Sir John Gibson Scholarship; 1936—Graduated with outstanding record, winning; The Reuben Wells Lenard Scholarship, The Norman Slater Memorial Scholarship, The First Carter Scholarship, The Steel Co. of Canada Scholarship, The W.M. Ballard Gold Medal. Was:—School Valedictorian and awarded school key: the highest awards for extra-curricular activities, on Dramatic and Debate Committees, on staff of Lyceum (The School Literary Society), on business staff of "Vox Lyceii" (School Magazine).

Graduate of University of Toronto, University College: B.A., with one year of Mathematics and Physics and 4 years Honour Law. Was—On University College rugby team, delegate to National Conference of University Students, feature editor of "The Court Crier" (Law School Magazine), Registrar of Moot Court, President, University Law Club (top senior student post), awarded, Dent McCrear Scholarship in Law, Harold G. Fox Prize in Commercial Law.

Graduate of Osgoode Hall Law School, Toronto—awarded, Bronze Metal, Christopher Robinson Memorial Prize, was on Championship Debating Team, articulated in firm of Elliott, Hume, McKague and Hume, called to Bar, by proxy while in army personally in 1946. After call was Assistant Examiner to Dean Falconbridge, Special Lecturer to Veterans' Class, Lecturer and Examiner in Practice, Appointed Queen's Counsel, 1953, carried on private general law practice in Toronto. Following appointment to Cabinet, closed his law office, to devote full time to legislative and departmental duties.

Activities in Ontario Legislature 1951—First elected in General Election for Bellwoods. Has been: Chairman of Standing Committees on Legal Bills, Private Bills, Highway Safety and others. Member of Standing Committees on Municipal Law, Education, Health and others. Member of Select Committees on Labour Relations, Highway Safety and others. 1955—Re-elected in General Election for Bellwoods; 1956—Sent to Vienna by Ontario Government on Hungarian Refugee Mission; 1958—Appointed Minister—without—Portfolio. At time of swearing in was youngest Member of Cabinet; 1958—Appointed Minister of Transport. At that time was youngest Minister in charge of a department. 1959—Re-elected in General Election for Bellwoods; 1960—Appointed Provincial Secretary and Registrar and headed both departments until November; 1960—When he relinquished Department of Transport to become; 1961—Provincial Secretary and Minister of Citizenship for Ontario (the first to hold this portfolio); 1963—Re-elected in General Election for Bellwoods; 1966—Appointed Minister of Public Welfare, which department was renamed in 1967 as Social and Family Services. Did not miss a single day of the Legislature in 18 Sessions. 1967—Re-elected in General Election for Bellwoods.

Mr. M. Borczak: Mr. Borczak joined the Department of Public Welfare in 1946. In 1951 he was appointed Administrative Officer to the Old Age Pensions Commission and in 1953 Director of the Old Age Assistance Branch. In 1957, he became Director of the new Welfare Allowances Branch, which was a merger of three former Branches—Old Age Assistance, Disabled Persons' Allowances and Mothers' Allowances. Mr. Borczak served as a member of the Joint Committee on Legal Aid between 1963 and 1965 and was a member of the Legal Aid Program Committee, which was established by the Law Society of Upper Canada, to implement the Ontario Legal Aid Plan.

He was appointed Associate Deputy Minister of the Department of Social and Family Services in 1968 and has served as Deputy Minister of the Department since August of 1969.

Miss Dorothea Crittenden: Miss Crittenden's career spans 33 years in the Ontario Department of Public Welfare—Department of Social and Family Services. She joined the Department in 1937 and occupied several positions before becoming Assistant Deputy Minister in 1968. In the intervening period, Miss Crittenden has served as the Department's Executive Director of the Finance and Administration Division.

Prior to joining the Department, Miss Crittenden taught for a short time in Northwestern Ontario. She received a Bachelor of Arts Degree from the University of Toronto. Miss Crittenden is a member of the Public Personnel Association, the American Public Welfare Association, and the National Conference on Social Welfare.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Monday, May 25, 1970.

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The *Chairman*: I call the meeting to order. Tomorrow we will have the brief of the Province of New Brunswick. Their brief was sent by air express and was mislaid in transit. It was finally located late last night and copies will be distributed to members of the committee during the day so that you will have an opportunity to read the brief before tomorrow.

The representatives of the Province of Ontario are headed by the Hon. John Yaremko. Mr. Borczak, the Deputy Minister, is sitting next to Mr. Yaremko. Also present are Miss Crittenden, Assistant Deputy Minister, Mr. Groom, Executive Director, Social Development Services Branch, Mrs. E. Etchen, Director, Planning and Research Branch, and Mr. Heagle, Projects Co-ordinator, Planning and Research Branch.

The curriculum vitae of the Minister, Deputy Minister and Miss Crittenden will appear in the record.

I will ask the Minister to make a statement to you before we commence questions.

Hon. John Yaremko, Minister of Social and Family Services, Province of Ontario: Thank you, Senator Croll. May I make two remarks before discussing the body of the presentation.

First of all, I should like to extend my congratulations to you, sir, on the award made to you by the Geriatrics Society in recognition of your contribution within that field. This relates somewhat to your personal contribution not only nationally but within the Province of Ontario in particular.

My second reference is to the fact that I was reminded in reading your curriculum vitae with

reference to the award that during the period 1951 to 1955 you and I shared some 30,000 constituents in common. The members of your committee will be interested to know that the great provincial riding of Bellwoods was half in the great federal riding of Spadina, the other half being in the great riding of Trinity. I am sorry that Senator Roebuck, who has long been known to me, is not with us because of ill health.

Those are two personal reasons, senator, why I am delighted to be here.

Before we get into the specifics of the brief being presented today, I should like to highlight some of the issues that underly the relationship between poverty, measures for income redistribution in general, social assistance and social service programs. There is an enormous number of programs in this field operated by three levels of government, in the case of Ontario of major proportions. Huge and growing amounts of public money are being spent on social assistance and social services. In Ontario, provincial per capita expenditures on these programs have increased 300 per cent in the last ten years, and if you will look at Table 6 on page 13 later you will see that the gross provincial expenditures on these programs are almost four times as great—from \$68 million to some \$242 million as of 1968-1969.

Although we have become increasingly concerned by the fact that poverty continues to exist amid general prosperity, do we have a national consensus concerning the direction in which we should be proceeding? Have we a concept of our national goals? Have we really understood, have we delineated what the essential problem is all about?

In the income maintenance field, many significant programs are operated by the federal Government, including family and youth allowances, old age security and unemployment insurance. At the provincial level we have general long-term social assistance programs for single mothers with dependent children

who are unemployed, and some aged persons not covered by federal programs. Short-term assistance is provided to certain labour force participants who are unemployed.

The emerging issue is how our own long range objectives and those of the federal Government can be co-ordinated. There is at present no mechanism whereby both governments can analyse the interactions between their respective programs and arrive at mutually accepted goals. In our brief we discuss, for example, this problem in relationship to the unemployment insurance program. There will be a White Paper introduced next month in the federal House of Commons. However, there has been little opportunity to review the interaction of unemployment insurance and short term social assistance.

In the larger aspect of which future direction we should take in the social assistance field, there is now a wide ranging debate in the press, and in academic and, as we are doing here, in governmental circles. We should look at the enormous number of programs presently being operated and financed by federal, provincial and municipal governments, and try to co-ordinate effective use of what we have already developed. We should ask ourselves whether or not these programs should be extended to include additional persons. What is the current situation vis-à-vis programs developed in the 1940s, such as family allowances? Are the social goals of that period still relevant today? Are these programs still effective income maintenance measures in today's society? From our brief you will note that we think these programs should be re-examined, re-evaluated and co-ordinated in more effective and meaningful measures.

The subject of a guaranteed annual income has been widely discussed, and many schemes have been aired publicly. Some argue that all of our present programs should be scrapped, while others contend that the guaranteed income should be superimposed on what exists now. We must consider future developments carefully in the social assistance field. It appears to us that with more appropriate mechanisms for consultation we could expand and improve our present social assistance structure. The fundamental problem as we see it is co-ordination of objectives and long range goals between the federal and provincial levels of government. Co-operation could be improved if more formal machinery were developed to ensure that prior consultation takes place before major changes and social assistance and social programs are made effective by either level of government.

Generally, then, we see income maintenance as a continuing federal, provincial and municipal responsibility, and social services being developed as a local responsibility, with alterations in the pattern of financing. We see the same needs and possibilities for extension of programs as have been identified by many groups appearing before this committee.

For the working poor, we acknowledge a priority area for developing provision for some form of assistance programs. In our brief we explain fully some of the problems inherent in the application of present programs for the working poor, and explain why we seek the full implication of any new directions. It is essential that the vexatious problems caused by inter-relationship with the income tax system be resolved before we embark on wage supplements. If we are to consider a guaranteed income scheme for labour force participants, it must be harmonized with a positive tax scheme; it must be developed to meet the specific needs of labour force participants.

Manpower and employment must also be considered when a guaranteed income program is developed. Programs of present manpower centres have not been geared to reach out and contact low wage earners in their homes or at work. There must be more immediate contact, and more meaningful counselling services must be made available.

We do not have current data on income and earnings in Canada. Income tax data and information from the old age security system, family allowances and unemployment insurance and other programs need to be put together for family units so that policy planners can assess the impact of alternative schemes, evaluate present programs and plan new ones.

At various federal-provincial conferences Ontario has explored the necessity to harmonize tax structures between the two levels of government. In addition, there seems to be an increasing necessity to integrate to some degree the taxation and social assistance structures so that a more effective income redistribution mechanism may be evolved.

It appears that a national consensus has not yet been reached on future developments in the social assistance field. This is a time for study, for setting up the machinery, for planning and co-ordinating, and for consulting together. White papers setting out future courses of action in unemployment insurance and in social assistance are expected next month, and the White Paper on taxation is currently being analyzed. All of these will have a profound effective on income

distribution patterns, if implemented. All will have profound implications for provincial programs. They should not be implemented without due regard to each other.

We should review the alternatives that are open to us. What responsibilities should remain with the provinces? Should the federal Government assume a greater role in income redistribution? Which government should deliver services? How are we going to finance income redistribution programs and social service programs? What is the appropriate balance between regional needs and priorities and national levels of services?

At the December Constitutional Conference on Social Security and the distribution of power, the Prime Minister of Ontario put forth the basic principles which might be followed as we search for answers to these problems. He stressed the necessity to keep the relationship between people and governments as close as possible, and said that the level of government nearest the people should provide as many services as can reasonably be performed by it. This would involve most social services being handled locally.

At a more impersonal level, the main role of the federal Government might be in the redistribution of income, or the provision of an income floor to certain categories of Canadians. The floor should be such that provincial and local governments should:

... have ample opportunity to add to such a floor so that they could express the peculiar needs, characteristics, social philosophies and levels of expectation of different regions.

Let us review some of the steps on the road ahead. First, we must devise better measures of what poverty is so that we may find out exactly what the situation is really like, how many people are in that so defined poor, and what the degree of income gaps is in Canada? Next, we must set up organizations to achieve better co-ordination of social policies, to plan and integrate present programs, modified programs and new programs across a wide range of fields, including social welfare, regional development, housing and others.

Some programs are likely to be more effective than others, and therefore they should be evaluated as an integrated package. Basic decisions will involve goals, both social and economic, the most appropriate blend of programs, the respective responsibilities for administration of programs and the financial arrangements amongst three levels of government. We should not overlook the impact of taxation on low income

groups. This involves close co-operation between federal and provincial governments so that the tax structure may be harmonized and priorities co-ordinated. New programs are not necessarily the answer to our basic problems. However, it seems, as the economic council says:

Various kinds of inter-governmental arrangement are conceivable. Whatever arrangement is adopted should be one eliciting the support of all levels of government whose co-operation will be absolutely essential in the supply of information and many other respects.

We believe there is great merit in the provinces undertaking jointly with the federal Government a critical examination of our income maintenance programs and theirs so that we may develop effective integrated approaches to the problem of poverty with each level of government accepting the responsibilities assigned to it, and with appropriate arrangements for finance being worked out together.

Mr. Senator, what a challenge to the people of Canada to harness their experience, talents and resources with which we are so greatly blessed and to come to grips within the limits of human ability with this task that this nation may be a place where each may find his place in the sun. Thank you.

Senator Carter: Mr. Yaremko, you tell us on page 13 that your gross expenditures for 1968-69 are \$242 million. What is the total provincial budget.

Hon. Mr. Yaremko: The total provincial budget of that year was between \$2 billion and \$2.8 billion.

Senator Carter: Approximately \$2.8 billion. How much of this \$242 million is paid out on income maintenance.

Hon. Mr. Yaremko: About \$160 million.

Senator Carter: How much would you recover from the federal Government of your \$242 million?

Hon. Mr. Yaremko: We will have to speak in round figures, but it would be somewhat over a \$100 million.

Senator Carter: When you disburse income maintenance how do you define need? I presume most of your payments are made under the Canada Assistance Plan.

Hon. Mr. Yaremko: The bulk are.

Senator Carter: And the Canada Assistance Plan requires these payments to be made on a basis of need.

Hon. Mr. Yaremko: Yes. Our definition follows fairly closely the definition in the Canada Assistance Plan, in the act itself and in the agreement. I think we have pretty well taken it almost word for word.

Senator Carter: I would like to hear the definition of need in the Canada Assistance Plan.

Hon. Mr. Yaremko: The Canada Assistance Plan says:

A person who, by reason of inability to obtain employment, loss of the provincial family provider, illness, disability, age or other cause of any kind acceptable to the provincial authority, is found to be unable (on the basis of a test established by the provincial authority that takes into account that person's budgetary requirements and the income and resources available to him to meet such requirements) to provide adequately for himself, or for himself and his dependents or any of them;

Senator Carter: That leaves it up to the province to apply the test.

Hon. Mr. Yaremko: The province develops the budgetary requirements.

Senator Carter: How do you go about doing that? Do you have a formula?

Mr. W. S. Groom, Executive Director, Social Development Services Branch, Province of Ontario: We review the individual circumstances, such as a person's assets, and we take the number and the ages of his family. This is done under our income maintenance program. We arrive at an amount for clothing, personal requirements, and, under family benefits, we add utilities. We add to that the amount for shelter and for fuel.

Senator Carter: I did not hear clearly your last few words.

Mr. Groom: We add to the amount that is in the table an amount for shelter up to a stated maximum in the regulations, and add a further amount for fuel. We look at the other side, which is the income side, and we apply, in the case of earnings, an exemption, and, an another income, certain exceptions such as family

allowances comes to mind. This is deducted and the difference becomes the allowance. Once a person is eligible for allowance he is also eligible for pre-medical and hospital benefits.

Senator Carter: Before you had the Canada Assistance Plan how did you do it?

Mr. Groom: We had an income maintenance program that was tied to four programs which were federal-provincial sharing. These were the disabled persons' program, the blind persons' program, the old age assistance program, and the unemployment assistance program itself, which was a more general one.

Senator Carter: How would you assess the needs of an individual person?

Mr. Groom: I would describe our mothers' allowance program as closely related to what we now do, and also our general assistance program.

Senator Carter: What is the essential difference between the means test which applied prior to the Canada Assistance Plan and the needs test which is required by the Canada Assistance Plan? What is the essential difference as far as Ontario is concerned between these two, the means test on the one hand and the new needs test under the Canada Assistance Plan?

Mr. M. Borczak, Deputy Minister, Department of Social and Family Services, Province of Ontario: The essential difference in respect of what we referred to as the categorical programs, the former programs of old age and blind assistance allowances, started off with a certain monthly payment paid to persons. This was a maximum amount of \$75 per month. There was then added to that an additional \$30 in the case of a single person with a flexibility of up to \$30 without affecting the basic payment of \$75. You would work with two figures and the maximum permissible per income per year added up to the \$105 per month or \$1,260 a year and the actual maximum payment to a person of \$75.

I believe that the \$75 was arrived at on the basis of past experience under the Old Age Pensions Act which had started in 1927 at the rate of \$20 per month and gradually increased over a period of years to a point where the payment reached \$75. So that when the federal Government introduced its new old age security plan, at the same time an old age assistance program was designed and was actually patterned after the

former old age pensions program so that we simply lifted the basic approach under the old age security program into the new scheme which became the new national assistance program across Canada.

At that time we were operating a mother's allowance program on essentially the sort of approach we have now under this needs test approach. It had started out as a flat rate program just as the old age pensions had been, but we moved away from that into the needs test approach.

To tell you something of the difference between the two, the original program just started off with a flat amount which kept building up in a sort of historical pattern. Under the needs test approach the amount of payment that is provided attempts to meet certain identifiable requirements such as food, clothing and other needs, including shelter needs. So that our regulations are designed, then, to set out amounts for these various purposes and we have in the regulations the table which we call a "pre-added budget". This table attempts to provide within it adequate amounts for the essential requirements of food, clothing and personal needs. It takes into account the size of family, the number of adults in the family unit and the number of children, and it attempts to reflect the various needs of children in different categories. Thus, you will find we have three age groups of children, and that distinction is significant in that as a child actually advances from a younger age to an older age a higher allowance is built into the pre-added budget because of the change in the age of the child.

Therefore, added to the pre-added budget is, then, the actual amount for shelter up to certain maximums. This shelter may include, in the case of home ownership, full allowance for principal and interest payments and insurance costs. The actual total shelter costs are provided for up to certain maximums. In the case of quarters which are rented but unheated, there is a fuel allowance provided. In the case of home ownership a fuel allowance is provided also.

So the difference, then, is that in this case you have a building up of, through a series of amounts, an allowance which is designed initially to provide for all the basic needs. That, I think, is the essential difference between the two approaches.

Senator Carter: I am not sure that I absorbed all you tried to tell me there. I gather that under the means test you started off on a flat rate, patterned after the old age pension, of \$75 a month, and you accepted that as adequate for two people. As the cost of living

went up and other factors came into play you raised the limit. You finally arrived at a cut-off figure which you regarded as the means test. If the person was above that figure he did not qualify; if he was below, you would give him welfare to bring him up to that amount. Is that correct so far as the means test is concerned?

Mr. Borczak: Yes.

Senator Carter: Now, under the needs test I gather that you have tables for different sizes of families and tables for children of different age groups, and you have broken down their needs under different headings and put a monetary value on each of these, after which you add up these figures depending on how the family fits into the table and you arrive at the family's needs. Is that essentially what you do?

Mr. Borczak: Yes.

Senator Carter: In working out those tables do you have different tables for people living in rural areas and people living in urban areas?

Mr. Borczak: No, we do not. When you look at our table of allowances, a schedule of monthly pre-added budgets, you will see there that it is a standard that applies across Ontario. Our studies in this field, based on pricing food costs in locations throughout the province—and that is a procedure we follow on a fairly regular periodic basis—our studies in this field suggest to us that there is not really that much difference across Ontario, and that while there are very significant variations in the cost of certain foods there are other foods which are equally acceptable for purposes of providing nutritional needs of people, and that, by a careful arrangement of purchases here, the allowances can be left pretty well the same across Ontario. We have not found a significant difference here to make it worthwhile to attempt to have regional differences in these allowances.

The one variable that does reflect differences in living costs across Ontario is the one with respect to shelter. I mentioned earlier that we provide the actual shelter costs up to a certain maximum. We find that in many of the smaller centres, rural communities and small communities, the shelter costs are quite low—usually where a person owns his own home, and particularly when he has owned it for a good many years so that his ownership goes back before the high interest rates and so on. We find in those situations that the principal-interest payments are such that the total cost to them is provided within the allowance so

that to that extent, where you find that the shelter costs are lower than they are in large urban centres, we are therefore reflecting the difference between regions. When you move to the large urban centres there is a bigger gap between the actual shelter costs and the amounts provided for.

Senator Carter: Did I understand you to say that you provide maintenance costs under the needs test? In other words, that, if a person owns his own home but needs to repair it, you would provide the cost of the repairs.

Mr. Borczak: That is right.

Senator Carter: If a person were a carpenter and could do his own repair work, if he were handy with tools, would he get the same allowance as a person who was not capable of doing his own work, or would he get a little less?

Mr. Borczak: The program is designed, actually, to get an evaluation of what the particular needs would cost, and if the person intended to do the work himself and indicated so, then all of the cost of the materials would be provided. We have two ways of providing assistance in the area of maintenance of property. There can be a flat amount provided under our regulations to write off the entire cost at once; or it can be built into the allowance on a monthly basis and included within the allowance over a period of time to defray the costs, depending on how the work is carried out.

Senator Carter: I am not sure I understand you. If a person had to hire somebody to do the work, he would get a little extra to hire that fellow. He would get more, in other words, than if he could do the work himself.

Mr. Borczak: Yes, because, if workmen's wages have to be paid for, this would be included in the allowance.

Senator Carter: Did I understand you to say that under this needs test you have an open-ended schedule with no limit to the size of family?

Mr. Borczak: We have an over-all maximum on the size of the allowance.

Senator Carter: Oh, you have a maximum.

Mr. Borczak: Yes.

Senator Carter: Where do you draw the line for your maximum?

Mr. Borczak: We have a maximum of \$330 per month starting at a family of four. Then there is an additional amount of \$15 per person per month beyond four in the family added to the maximum. So that if you have five persons the maximum amount is \$345; if you have six persons the amount is \$360; and so on. The amount increases progressively as the size of the family increases.

Senator Carter: But once the size of the family gets over four, the amount of money comes down to \$15 a month for the fifth person. Is that it?

The Chairman: Yes, that is what he said.

Senator Carter: The fifth person has to live on \$15 a month.

The person with a family of five gets \$15 more than the person with a family of four. Is that right?

Hon. Mr. Yaremko: Not necessarily, but, if they were at the maximums, the maximum in the one case would be \$15 more than the maximum in the other case.

Senator Carter: So you have a maximum for a family of five. I see. I thought you said your maximum was based on a family of four.

The Chairman: I understood him to say that the maximum was fixed for a family of four at \$330. Then for any additional person in the family there is an extra \$15 per month added, so that if it happens to be five persons in the family, it is \$345, and if there are six persons in the family, it is \$360.

Senator Carter: That is what I understood, but then I thought he said they did not say that.

The Chairman: No, the next question that led up to that was; if he does not receive the maximum, if he only receives three hundred, how much does the fifth person receive, I did not get the answer to that question.

Mr. Borczak: It is always based on the overall maximum so that one can have a case where one family of four living in a small community may be receiving \$300 a month, while another family of four may be receiving \$330 a month. Similarly, you may

have a family receiving \$330 a month, but another family of five may be receiving \$345 a month. There is a considerable amount of variation in the amount the same family-sized unit would receive in allowances depending on where they live. Another element built into our allowances which actually reflects a certain amount of variation in living costs is the shelter allowances. If the shelter cost is low, it has the effect of lowering the payment made and if it is higher, it has the effect of increasing it.

Senator Carter: But I understood you to say you had pretty well the same schedules across Ontario and that there was not much difference by virtue of the different regions. Now you are saying there is some change. Are you saying the only change is with respect to shelter?

Mr. Borczak: That is correct. The fuel allowance provided in the regulations applies clear across Ontario with the exception that there is a difference or a division between northern Ontario and southern Ontario. However, having set aside that division, it is an amount that applies clear across the province, and while our regulations provide a table of fuel allowances, the regulation does provide that where the actual cost of fuel is greater than that set out in the table, an adjustment can be made to bring it up to the full amount. However, should a person's fuel expenses be less than what is provided in the table, then he keeps the full amount provided. You see, we have set a certain minimum standard of fuel allowance, and even if his cost should be considerably lower than the amount set out in the schedule, he still gets the standard amount.

The Chairman: But in the case of a winter like last winter the costs may well be higher. What do you do in a situation like that?

Mr. Borczak: We pay the full amount. The person is required to keep his receipts, and if he can demonstrate to us that the amount of fuel allowance was inadequate to meet his costs, a full adjustment can be made to him.

Senator Fournier (Madawaska-Restigouche): What is calculated under the heading of fuel, oil or wood?

Mr. Borczak: The calculation set out in the table of allowances is based on the cost of hard coal—anthracite. We made a review of what the costs of heating might be in terms of hard coal, oil and natural gas, and we found that the most generous standard to

use was hard coal. In fact the person may choose whatever form of heating he desires, and since our calculations were based on hard coal, the person who uses oil will, in effect, receive a more generous fuel allowance. Generally fuel oil is a little less expensive than hard coal in terms of the amount of heating output that it will provide.

Senator Carter: Well, I want to be quite clear on this; if you have two families, or if you have three families with each of the three families entirely dependent on welfare and with no other income, the first family will receive \$330 a month, and the second family will receive \$345. Then, a family of five. . .

Mr. Borczak: If they are all four-member families, the maximum any one will get would be \$330. However, one family of four may receive \$330 and another may receive \$320 and a third may receive \$300 a month. This variation in the shelter cost which I was mentioning can have this effect.

The Chairman: The maximum is \$330. But then a family of five with no other income getting the maximum would get \$345 and a family of six with no other income would get a maximum of \$360. Is that correct?

Mr. Borczak: Yes.

Senator Carter: The result is that in these three cases, the extra person is living on \$15 a month. In the second instance, the extra two people are living on \$30. That does not square with my idea of the needs test which is required under the Canada Assistance Plan because I cannot see a needs test having a maximum ceiling. How can it if it is based on need? How does this square with the Canada Assistance Plan?

Mr. Borczak: We have developed in our brief some examples here of the relationship between the allowances for persons who are working full-time and not in receipt of assistance, and I suppose it is the effect of the allowances and the effect of the earning exemptions and so on that is the problem here in terms of how high the level of allowances may be; the higher they are, the greater becomes the difference between the person who is working full time on low wages and the person on public assistance, and in the brief we have attempted to demonstrate just how this begins to widen the gap between the two. That is to say that we find that the person on public assistance begins to be in a position of marked advantage over the person

working full time at low wages. If our allowances were higher than they are at the present time by removing the maximum, this spread would become even greater than it is at present.

Senator Carter: In other words, such a person would be better off on welfare than he is working.

Hon. Mr. Yaremko: We have rationalized the program within the whole social structure as it exists within the province at the present time.

The Chairman: This is a new element that we have not had brought to the attention of the committee before. The other groups have come in and said "we are poverty-stricken and we cannot pay any more than we are paying." This is a new element coming in and a very important one from our point of view. The deputy minister is saying in effect—"we measure of needs best on the basis of what the minimum wage is in the Province of Ontario." Let us accept it as the minimum wage in Ontario so as not to conflict in any way between those who are working full time and those who are on welfare. Now, that is a new measurement that comes to us, I think you ought to take some time to explore it so that we may be clear on its implications. If I have not stated that correctly, Mr. Borczak, then you can correct me.

Mr. Borczak: Mr. Chairman, may I say that I would not want to leave the impression we have geared our allowance to the minimum wage. We have not done that. We developed these allowances quite independently of the minimum wage, but when one examines the allowances and compares them with the wage patterns of the low-income group this is the sort of picture that emerges, that many of the people on public assistance are, in effect, better off than persons working at low wages, and not necessarily at minimum wages. If you get into the size of family, there are persons who are earning considerably above the minimum wage that exists in Ontario at the present time, and yet the amount of their earnings is such that they are literally no better off than if they were on public assistance, and they are above the minimum wage.

Senator Carter: Yes, but I do not see where the minimum wage enters into it. Are you accepting that the minimum wage is adequate?

Hon. Mr. Yaremko: No, you are quite right, the minimum wage is unrelated. If you examine our table, Senator Carter, you will find that our basic provisions

in Ontario regarding allowances under family benefits and the general welfare assistance are extremely generous. They are extremely generous. If you took one of your families of five and added up all the benefits that they have at the end of the year and translate them into dollars that somebody else would have earned to provide his family with that amount, you will find they are extremely generous. This is why in Ontario the problem, the big challenge for us now is—and we devote a good deal of the brief to this—with respect to the working poor, the people who are gainfully employed, especially those with large families, on a year-round basis at wages which could be well above the minimum wages, and who still do not attain, in some circumstances, what they would if they were on one of the provincial allowances.

Senator Carter: You are still making comparisons there between what a person earns and what he needs on welfare.

Hon. Mr. Yaremko: No.

Senator Carter: You ended up with that, I thought that is what you ended up with, that kind of comparison.

Hon. Mr. Yaremko: That is one of the problems and one of the facets. I think you were indicating that because we had a so-called maximum perhaps the allowances fell short of what they should be. When you start off with a fairly generous basic provision, then it does not necessarily follow that from there on the steps upward have to be graded exactly the same.

Mr. Borczak: Mr. Chairman, perhaps to clarify this, I wonder if I might refer to page 41 of our brief, and then to page 42.

The Chairman: Yes, certainly, go ahead.

Mr. Borczak: In Table 9, page 41, we have attempted to show the relative position of a person who is on assistance and is receiving \$300 a month for a family, or \$3,600 a year, as compared with a person with the same family size whose earnings are \$4,784 a year. I believe that is \$2.30 an hour, which is well above our minimum wage.

As you can see from this, we have added to both columns the amount that each family received in family allowances, bringing the gross income for the working family to \$5,000 and the gross income for the person on public assistance to \$3,816.

Now, the person who is employed has the various deductions that we have shown in the left hand column, adding up to \$979. These deductions are for Canada Pension Plan, income tax, unemployment insurance, premiums for hospital and medical schemes, and an estimate of \$20 a month for work expenses.

When we subtract these expenses from the gross income, that family is left with \$4,021 a year. The family on public assistance has none of these expenses to meet, since public assistance is not taxable and medical and hospital coverage is extended to families, so that the net cash income of that family on public assistance is \$3,816, so there is approximately a \$200 difference between the two.

Senator Carter: This does not mean anything to me until you tell me how big this working family is, and the social assistance family that gets the \$3,816. How big is that family?

Mr. Borczak: That is a five-person family. Both examples are five-person families.

In the regulations we have a provision for certain exemptions on earnings, and we have added a new element on the next page, in Table 10. We are dealing again with the same five-person family in both cases. We have indicated the person on public assistance is working at part-time work and is earning \$1,200 a year. So we add that to the social assistance payments, which without employment amounted to \$3,600. But now, because of the rule on earnings exemptions, the \$1,200 of earnings has the effect of reducing the allowance to \$3,348. That is, \$1,200 of earnings has the effect of reducing the allowance by \$252 a year.

Senator Carter: On what page is that?

The Chairman: That is on page 42, Table 10.

Senator Carter: When did these work expenses go into effect, Mr. Yaremko?

Hon. Mr. Yaremko: We are assuming that those are the work expenses involved in employment. That is an assumption on our part, that a person employed on a full-time basis, all year-round, will expend about \$240 vis-à-vis his employment. We have put \$240, and then or \$1,200 we have assumed an expenditure of an estimated \$10 a month.

Senator Croll, this Table 10 is one of the most significant tables in our presentation. Senator Carter, you will see at the top that it is a comparison of the

five-person social assistance and working families. It is five persons. If you have identical families, a mother, father and three children, and one is fully employed and the other is on social assistance, you will see that the gross income of the full-time employed person is \$5,000, and the gross income of the person on social assistance, with part-time earnings now permissible under our regulations, is \$4,764. But when you consider what the working family has to pay out, or what is taken away from them, they end up with \$4,021 to spend really on their needs, whereas the social assistance family could theoretically at present have \$4,600-and-some-odd dollars.

The Chairman: Senator Carter, I think it is essential that we understand this completely. What the minister has said, of course, is quite right. But that table on page 42 is on the basis of about \$2.30 an hour. The minimum wage in Ontario, except for construction workers, is \$1.30 an hour. That is what you have to keep in mind.

Senator Carter: My question is: From where do you get this figure of \$4,784 of earnings? What basis do you have for selecting that particular figure?

Hon. Mr. Yaremko: We made an assumption.

The Chairman: If you multiply it by \$2.30 an hour you will arrive at that figure.

Senator Carter: But why pick a person who is earning \$2.30 an hour?

Hon. Mr. Yaremko: If it was less than \$2.30—let us say, \$1.30—then the working poor family's gross total income would be considerably less, and the difference would be accentuated.

Senator Carter: He would be better off on welfare?

Hon. Mr. Yaremko: The gap would be that much greater.

The Chairman: There are in Ontario, as there are in other parts of Canada, thousands of people working for \$1.30 and \$1.60 an hour. I do not know the percentage, but I think I have some idea of it. That has been going on for a number of years. There has always been that difference between what a worker would receive by earning a low wage and what a worker would receive if he were on welfare, yet we have done nothing about it up to the present time. How do we justify our allowing that condition to exist since 1966,

a period of three years, when the Canada Assistance Act came into force and when we had to meet a needs test rather than a means test?

Hon. Mr. Yaremko: In our province we have been concentrating on establishing social assistance programs for those outside the labour force. We have been giving that a lot of attention, and with the increases that we announced as of May 1 we believe that for our social assistance recipients outside the labour force we have provided a fairly good allowance. Our big job now is to solve the problem of how to bring up the income of a family whose head is working full time and who we call, for want of a better term, the working poor. What mechanisms can we develop to assist that family to increase its income? You must remember that the significant thing about our social assistance programs is that they are geared to the size of the family. That is one of the great things. One of the changes that came about with the Canada Assistance Plan was that we began to develop our programs in terms of the family group. The size of the family comes into it. A man's wages are completely unrelated to the number of mouths he has to feed. His wages are related to the job he is performing, and his ability to produce. The employer does not look to see whether a man has three children at home or seven children at home.

Senator Carter: But is not that the gap that the Canada Assistance Plan was designed to fill? You are not using it in that way.

Hon. Mr. Yaremko: Senator Carter, we have grave reservations about the applicability of the Canada Assistance Plan in this particular field. If we are going to develop a program in which persons who are within the category of the working poor have a right to certain supplemental allowances, then that is one of the major programs that either level of government will embark upon. We will have to know much more before we can embark on that program where the people are entitled to supplementals as of right.

The Chairman: Mr. Minister, may I just put things in their proper perspective. Seven provinces of Canada are providing just that sort of help to which you have referred under the Canada Assistance Act, and are receiving 50 per cent of the cost from the federal Government. One province is doing more than any other three provinces put together, and it has been doing it for some period to time. I think that information has been available to your department and every other department in Canada for some period of time.

Hon. Mr. Yaremko: You are quite right, Senator Croll.

Senator Carter, it is possible under the Canada Assistance Plan to do this. I want to make that clear. The Canada Assistance Plan is there and it can be used to provide this kind of supplemental. We have studied, although not in great detail because we have not had the opportunity, what the other provinces have done, and I should like to suggest that your committee examine this in detail in order to find out exactly what the other provinces have embarked upon. One of the provinces has provided this kind of assistance to 800 people, of which I believe 550 are working mothers.

The Chairman: Female heads of families.

Hon. Mr. Yaremko: Yes, female heads of families. Now, it is true that Ontario could embark on that kind of program, but what we are looking for—I would point out that those people are not entitled to that as of right; that is an extremely selective system. I am not faulting what is being done because, after all, 800 people are being assisted. As long as one person is being assisted then I say that that is all to the good. But, when you are talking about a program for the provision of supplementation for the working poor, in a province such as Ontario, then you must realize it is a gigantic step and it goes far beyond 800 people. As a matter of fact, we have within the Province of Ontario a great many female heads of families who are fully employed and who are getting assistance, as are the blind and the disabled. We do have those people who are fully employed and who get assistance which is shareable under the Canada Assistance Plan, but we are talking about developing a program under which every person who is fully employed and whose income is not what is necessary to enable him to provide adequately for his family will have, as of right, a claim to social assistance. This is a major challenge that confronts not only us and not only you as a committee, but it is one of the great national challenges of today.

The Chairman: I have one more question. Mr. Minister, as I read the Canada Assistance Act the word "need" has no limitation. It is simply need. There is no limitation. If you decide that a person needs to have a colour TV set—I am putting an extreme situation—and you enter that in your accounts then the federal Government will pay half. The federal Government has never refused to pay for what any province has said is a need. That is as broad as I can put it.

Hon. Mr. Yaremko: I would not say that we have received that kind of blank cheque, otherwise we could go into other areas, senator, such as the question of whether legal aid is social assistance.

The Chairman: Well, isn't it?

Hon. Mr. Yaremko: It is not shareable under the Canada Assistance Plan.

The Chairman: Where does it say that? You have the best legal aid system in Canada, if not in North America, and your department can take a great deal of credit for it. Where under the Canada Assistance Act are you prevented from providing legal aid in the same way that you provide medical aid?

Hon. Mr. Yaremko: We do not get the dollars for it.

The Chairman: Where is the refusal of an application? It is a social need. Would you have established the legal aid system if you had not felt it met a social need? You are spending \$7 million, and the purpose is social betterment. How under that act could that possibly be refused?

Miss D. Crittenden, Assistant Deputy Minister, Department of Social and Family Services, Province of Ontario: Mr. Munro stated that it was not shareable.

The Chairman: Have you tried to bill him, and have you been refused?

Miss Crittenden: It was brought up at the last ministers' conference, and he stated it was not shareable.

The Chairman: Of course, you have not billed him and he is not going to encourage the Ontario government to do so. It is a \$3 million bill, whereas in most of the provinces it is \$100,000 at the most.

Miss Crittenden: Senator Croll, the federal Government has deducted from our claim the cost of the staff who administer and the field workers who make investigations.

The Chairman: With respect to whom have they done that?

Miss Crittenden: The cost of the administrative staff is deducted from the plan.

The Chairman: It should be.

Miss Crittenden: We have told them and it is deducted.

The Chairman: The purpose of the act is to meet the need of the people, not that of the provincial governments.

Miss Crittenden: Oh, no; the act provides that the administrative staff is part of any program. However, we have not been able to get sharing at all.

The Chairman: We have not heard that from any other province.

Senator Carter: Is that a special provision in your agreement with the federal Government?

The Chairman: No, the agreements are all the same.

Hon. Mr. Yaremko: The agreements are all the same.

You will be interested to know with reference to legal aid that it is available to a very broad spectrum of our people, who are needs tested by our administrative staff. However, in the case of general welfare and family benefits assistance recipients they, having been once needs tested and needing legal aid, just walk in and make known that they are on general welfare assistance and there is no second screening. They are entitled to legal aid.

Mr. Borczak: Senator Carter inquired why we picked the family of five with \$4,700 earnings. The reason is that it is the closest round figure at the poverty line projected by the Economic Council of Canada, as updated.

It was established in 1961 and has since been updated by various groups, including our own department of treasury and economics. On page 6, table 3, we have used figures which update to current levels at 1969 the poverty line projections made by the Economic Council of Canada.

At the bottom of the page it is indicated that for a family of five the figure is \$5,060. In the tables on pages 41 and 42 we use an example of a family of five with earnings close to the \$5,060 poverty line figure. Our examples demonstrate the effect on the person on public assistance, with and without earnings. He is in a position of considerable advantage, with some earnings, over a person employed full time but at the poverty level.

Senator Inman: Mr. Chairman, I find this brief very complete. It covers much ground in the welfare field

and I wish to congratulate Mr. Yaremko and his department.

In paragraph 2 of page 1 it is stated that:

Prosperity seems to have offered more opportunities to poor men than poor women to increase their income.

Why do you feel that is so?

Mrs. E. Etchen, Director, Planning and Research Branch, Department of Social and Family Services, Province of Ontario: This is a matter of interpreting DBS statistics. The number of people who were poor in 1965 and 1967 included fewer men than women. Therefore the wage rates of men have been advancing more rapidly than those of women.

Senator Inman: But why do you feel that there are less opportunities?

Mrs. Etchen: Because wage rates for men have advanced more rapidly than those for women. Therefore, more men are able to raise themselves out of poverty than are women.

Hon. Mr. Yaremko: We have accepted, as a discussion point in order to have a firm base, the poverty lines set by the Economic Council of Canada. Statistics indicate that in certain cases under those lines there are more women than men. We are dealing in gross figures.

These women may be students who are not employed at all, but because they do not have the income suggested by the figures of the Economic Council of Canada they are included in the poor. However, Mrs. Etchen has pointed out that we could probably deduce that within the work force there are more women under than above the poverty line.

Senator Inman: My question relates to the opportunities. Why are there fewer opportunities? Has anything been done to assist women to improve themselves to the point where they could be employed?

Hon. Mr. Yaremko: We are hopeful, senator, that the recent bill introduced by our minister of labour, the Hon. Dalton Bales, with relationship to the employment opportunities of the female sex may have some beneficial effects in the future.

This relates not only to wage rates, but to promotions and the significant types of jobs.

The Chairman: We should understand the situation, Senator Inman. In Canada we have a very large number, more than normal, of female heads of families with children. The question is do they work or stay at home and look after the children? That is for them to decide. Consequently what they are saying is a fact of life in Canada.

Senator Inman: It is not only a case of opportunity, but of the women not being able to take advantage of it in some cases.

The Chairman: It is both. They have to make up their own mind. They may have ample qualifications and still decide to stay at home.

Hon. Mr. Yaremko: I am very proud that within this group of people we have Miss Crittenden, who is probably one of the most senior female civil servants, not only in the Province of Ontario but in Canada. Mrs. Etchen is Director of our Research and Planning Branch. Both of them are above the poverty line! They bring a lot of others, too, I hope.

Senator Inman: At the top of page 4 you mention a four-person family living in a rural non-farm community, and so on. Does the Government of Ontario consider these conditions in relation to welfare recipients, referring to rent and other things? Or was that answered in reply to Senator Carter's question?

The Chairman: Yes, I think it was.

Senator Inman: In paragraph 5 on page 4, about halfway down the page, you say:

The subject of retirement incomes and deferred consumption is much too complicated to discuss here.

That seems to be a point that should be discussed.

Mrs. Etchen: Here we are looking at the problem of saving now for retirement in the future, so that there is some sort of deferred income being provided for; the expenditures are being deferred now in order that there shall be income later. This is a very complicated subject with which actuaries and economists have struggled for many years. We feel the subject is much too complicated to discuss. We are not actuaries, but we simply point out that there is deferred income built in.

Senator Inman: I wondered if people would be allowed to save part of their incomes now and get

some welfare assistance so that in future they would have enough. Is that the idea?

Mrs. Etchen: We are trying to relate this to the subject of retirement incomes. You save money, you do not spend it, and therefore have deferred part of your consumption to some time in the future. This is a complicated actuarial computation and we have made no assumptions about it. We feel that it is an important subject, although it is too complicated for us to discuss. We are discussing here the subject of using an annual income as a measure of poverty. This does have a few problems, and this is one of them.

Senator Inman: On page 8 I refer to paragraphs 1, 3, 4 and 6. Is there a ceiling for the forgiveness of loans? How far can you go with that?

Hon. Mr. Yaremko: The equalization of industrial opportunity?

Senator Inman: Yes.

Hon. Mr. Yaremko: There is a ceiling. I am trying to recall figures. I think it is \$250,000 in certain parts of Ontario and \$500,000 in other parts of Ontario. Those are figures that we can provide. We can get the definitive figures. I think perhaps what we might do is provide the committee with a background paper on the equalization of industrial opportunity program of Ontario, which, of course, is part of the anti-poverty program because it creates jobs where otherwise there would not be jobs.

Senator Inman: I understand that, but I wondered how far you went with the forgiveness.

Hon. Mr. Yaremko: It is related to a complicated formula of how much the company itself is putting up, how many jobs will be provided.

The Chairman: I think that would be very useful. While you are doing that, Mr. Minister, would you give some thought to providing this committee with a paper indicating the equalization process of the federal and provincial governments, what equalization payments are made for welfare, and how they are being used for welfare?

Hon. Mr. Yaremko: I do not know whether I have grasped that.

The Chairman: There are certain equalization payments being made to various provinces by the Domi-

nion Government in response to equalizing payment from taxation—income tax and other provisions. They make certain payments to various provinces, more to some and less to others. In that process provision is made for such things as welfare and other provincial matters. There must be some way of identifying the amount that is being paid to equalize the welfare scale and how that money is being used. Could you do that?

Hon. Mr. Yaremko: I think the only figure we probably could have is one from the Treasury Department of the total number of tax dollars raised at the federal level, and then the aggregate number of dollars returned.

Mrs. Etchen: This is in the Ontario budget for 1970; it is in the budget paper.

Hon. Mr. Yaremko: Then we will see that you get that budget paper.

Senator Inman: Halfway down page 8. Under "Poverty and the Social System", speaking of people with low income you say:

For them the problem is lack of education and job skills, lack of employment opportunities or inability to change occupations. In most instances the social system somehow or other is inappropriately organized.

How can this social system be improved, and has the Ontario Government taken any steps in this direction?

Hon. Mr. Yaremko: The last sentence of that paragraph and the reference to:

...lack of education and job skills, lack of employment opportunities or inability to change occupations,

should be related to a statement we make on page 7, where we have highlighted some of the overall programs. We touch upon education, and when out of a budget of \$1 billion one-third or more of the tax dollars are going to education, that is a yardstick showing that we are doing something in this regard. When you consider the growth of the universities, secondary education, technological colleges, this is where we feel there is . . .

Senator Inman: Apart from education, you speak about opportunities and inability to change occupa-

tions. It takes a little while to educate people. In the meantime what have you done, or what can you do?

Hon. Mr. Yaremko: The equalization of industrial opportunities is one program. There is the ARDA program, which is another joint federal-provincial program that made the news a week or so ago, in which we are trying to bring jobs to people. I do not think we have as yet the mobility to lift people up and move them to where jobs are. We are trying to bring jobs to people. It is an amazing thing about the psychology of human beings that, although some will move very readily, others will put up with conditions for years because they just do not want to pick up their roots.

Senator Inman: I can understand that situation, coming from Prince Edward Island.

The Chairman: Mr. Minister, there are two provinces in Canada using the Canada Assistance Act for the purpose of upgrading people by way of training and education in order to qualify them for better jobs. Why hasn't the Province of Ontario done that, since there is need, as you say yourself. There is money available for it and they have been doing it elsewhere for sometime, yet it is not being done in Ontario.

Hon. Mr. Yaremko: I think you are referring to the so-called work activity program, which is a section of the Canada Assistance Plan. We have had that under review, and it is a continuing process. In the last few years we have in the Province of Ontario been developing our program within our rehabilitation branch. We also have an agreement with the Canada Manpower. We have in our budget some \$5 million or \$6 million which is geared for the rehabilitation of individuals in the main, handicapped physically in some way, but to date under this program nothing has been turned down by Ottawa.

We are working within the scope of that particular agreement to rehabilitate people for employment. The work activity program is very current within the Province of Ontario, but at the present time it is difficult to think of a work activity program which will enable people who are already more or less equipped to work to obtain employment when there are no jobs available. We are in a bit of a paradoxical situation, which I hope will only be temporary.

The Chairman: We are both somewhat political animals and, as you said, both come from the same riding. You say in regard to unemployment that you hope it is temporary, I also hope it will be temporary.

The act came into effect in 1966, three and a half years ago. There was some unemployment in Ontario as well as the rest of Canada. Nothing in fact was done to take advantage of that particular aspect. We are aware of what you have been doing with the Canada Manpower Act and it has been considerable and good. Here was an activity which could have been useful to upgrade and build up some people who were unemployed and perhaps take them off welfare. I point out that for three and a half years nothing was done. You were not there three and a half years ago, and I am not blaming you or the government.

Hon. Mr. Yaremko: As I pointed out, under our vocational rehabilitation services branch, according to the statistics, 25 per cent of the people who took our training under the vocational rehabilitation services had been on general welfare assistance and family benefits. We have used this as our vehicle.

If I may, I would also like to be just a political animal. Incidentally, I was in law school when Senator Croll was very active in the legislature. I watched him from the west gallery for a number of years and in that riding. We must turn our attention, when we evaluate programs, to evaluate the package as a whole. If a program within a province is going to be assessed, the package has to be assessed. In Ontario we have been putting emphasis on certain things and certain programs which have been going forward. As Senator Carter pointed out, the number of dollars spent under the Canada Assistance Plan is an indication of our use of that plan. Though the bulk of those dollars do not go into the administration cost, which has remained fairly closely the same, we have been taking this money and putting it into the hands of the people. We have been developing our own set of priorities within the program. That does not mean we have discounted the other. We have not discounted the work activity program, and we have not discounted supplementation of the working poor on a selective basis.

We have been attempting to provide the kind of basis we have for the vast number of our people. We have 110,000 cases in Ontario. Now we are in a position where we can begin to refine our programs in relation to those on social assistance and then turn our direction to the 100,000, 200,000 or whatever number will turn up in the so-called working poor.

Mr. Borczak: I wonder if I might add to the minister's remarks in connection with the work activity provision for the Canada Assistance Plan? As I understand the provisions they are really an alternative vehicle for providing this kind of cost-sharing

arrangement between the federal government and the provinces. The other vehicle is the one which we have chosen to use up to the present time, and that is the agreement under the manpower departments.

The Chairman: Both of those provinces are using it.

Mr. Borczak: It is possible to do precisely what is intended under the work activity provisions under the Canada Assistance Plan and possibly to do those things under the vocational training agreement.

The Chairman: No you cannot. Under Canada Manpower you must have certain educational qualifications. You do not need those qualifications under the work activities. You make your own.

Mr. Borczak: Our experience has been that we can in fact do that. Out of the many courses we offered during the fiscal year ending 1969, 47 per cent of the persons in those training programs were in work adjustment programs. These people had to have a considerable amount of work done with them in the area of preparing them for more advanced training in some sort of work. We found that there is a great flexibility in that agreement with Canada Manpower. We believe that to date there is perhaps a little more flexibility under the Canada Assistance Plan, and we have expressed these views to the federal authorities. By way of illustration, under the Canada Assistance Plan we are tied to developing our program around the concept of persons in need. Under the other agreement the concept of need is not a basic requirement. Hence you will find that our scale of income maintenance payments to the trainees follows a somewhat different pattern. The scale of payments is based on a flat daily rate which was designed to parallel the payments under the Manpower Adult Retraining Program. We believe, then, that the Canada Assistance Plan simply offers an alternative. It does not add something which does not now exist, but it offers an alternative method of doing so.

In our examination of this matter, we have considered that at this stage at least we seem to have more flexibility under the present vocational training agreement than we would seem to have under the other. As a consequence, then, we are actually having persons who are now on welfare rolls going through this training scheme and, again in the fiscal year ending March 31, 1969, of approximately 1,200 trainees about 25 per cent came from the welfare rolls, both municipal and provincial.

One may argue that we are not doing enough in this area, but my point is that in fact we are doing what other provinces are doing under the Canada Assistance Plan under the Work Activity Agreement. But we found that this agreement with Canada Manpower seems to give us the tool we require.

Hon. Mr. Yaremko: This is so important, senator, that I should like to underscore it. A year or so ago I had some indication through the grape vine that the federal authorities were going to perhaps terminate the agreement or shift out of that agreement, and I expressed my opinion at the time that they should not do so; that we wanted to have the flexibility of that agreement. Regardless of the fact that there was some provision in the Canada Assistance Plan, the other one suited our purposes much better. I may say that the rehabilitation program of the province of Ontario, which has grown from almost nothing to one of considerable size, is one of the unsung programs of this province. There is very little known about it except by those who are actually in the field.

The Chairman: Mr. Minister, since you are doing the kind of work you say you are doing under the rehabilitation program, dealing with 1,200 trainees, approximately, why are you not billing the federal Government for half the cost of that? The federal Government is prepared to pay half under the work activity portion of the act.

Hon. Mr. Yaremko: They are doing so.

The Chairman: You are not being paid half the cost under the work activity portion.

Hon. Mr. Yaremko: We get it through the other agreement of Manpower. We are getting it from Ottawa. We are getting the dollars from Ottawa.

The Chairman: Of course you are, but the point I am making to you is that other provinces are doing what is possible under the manpower provision, but for those who don't qualify under the manpower provision—and it is the same agreement across the country;—there is the additional program under the Canada Assistance Plan for which the federal Government pays half.

Senator Inman: Mr. Chairman, on page 8, the second paragraph from the bottom reads as follows:

Even the most comprehensive health prevention and treatment programs cannot insure that all

individuals can enter and continue as members of the labour force. Social assistance frequently becomes the last resort program for the mentally retarded, physically disabled . . .

and so on. At the end you say that:

No general social security provisions have been developed to insure earned incomes against long-term illnesses; some people become poor as a result.

Should this not be a prime matter of consideration? How do you consider that?

Hon. Mr. Yaremko: I should think that, as we develop our full package of services to look after the needs of all of the people, that will be one of the aspects. We are now talking to those who were in the labour market and then, because of a long-term illness, had to use up all their resources. That paragraph, senator, was really put in to let the people of Ontario, and Canada generally, know that the people who are poor are not necessarily poor by choice. In fact, almost all of them are there because they more or less have to be; not because they want to be. We are highlighting some of the reasons why people end up on social assistance.

Senator Inman: Yes, people do get catapulted from a good wage situation into a situation where they are earning next to nothing, and it would seem to me that those people require a good deal of consideration.

Now, I was interested in your family benefits program on page 22. I wonder how long it takes to process a family budget case. Sometimes we hear complaints that it takes too long to process welfare cases. The recipients sometimes complain about that. How long does it take you to process them?

Hon. Mr. Yaremko: I will let Mr. Groom, who was the former Director of the Family Benefits Branch speak to that.

Mr. Groom: Depending on the circumstances, senator, it can take from one month to several months to process a particular case. One of the most misunderstood sections of the legislation, the misunderstanding of which leads to this type of criticism, is the section dealing with desertion. The legislation states that a mother must be deserted three months in order to be eligible. From the date of the application for family assistance she may have just been in fact deserted so that there is a period of time of waiting which is not the result of administrative processing but

is rather a legal time factor necessitating her waiting for three months after desertion before becoming eligible. Misunderstanding of that situation is what very often leads to statements that the processing takes too long.

Another situation is the widow who is 59. She is not eligible until she is 60. She may apply, as in the case of old age security, six months in advance and wait until the date she is eligible. And, for example, in the case of the aged person who is 60, she may apply one month and become eligible the next. So the period does vary, but I would say that the criticism about length of delay stems from the misunderstanding of the desertion section.

Senator Inman: But you give aid to other people apart from deserted wives.

Mr. Groom: Yes.

Hon. Mr. Yaremko: We should also underline the fact that although there is a time period in the processing of family benefits, nevertheless, in the interim the person applying is not without assistance. When a person is in need, the waiting period is taken up by the general welfare assistance provisions which are short-term general provisions.

The Chairman: For emergencies, for example.

Hon. Mr. Yaremko: For emergencies, yes, and they fill these spots in. So far as the person is concerned, then, from a dollar and cents point of view there is very often no significant difference. I will say that there would appear to be a psychological difference in that persons seem to tend to be attracted more to the provincial program than to the municipal programs, because they feel that when they are on the provincial program they are getting a pension whereas when they are on the municipal programs they think in terms of getting welfare. That is a psychological difference.

Senator Inman: So that, if a woman was widowed at the age of 40 and was left with five or six children, she would be looked after until the family budget came in.

The Chairman: Oh, yes. I don't think there is any question of that.

Senator Inman: Going back to page 2, you recommend that someone should improve the Canadian poverty index. Does the Ontario government have someone in mind to do this job?

Hon. Mr. Yaremko: We are suggesting that this be done at the national level, although we are doing our own research at our provincial level. But you will see here that at the top of page 5 we say:

Throughout this brief Economic Council of Canada guidelines, updated by the Ontario Department of Treasury and Economics, have been used as the definition of poverty. We have misgivings about their reliability of statistical data contained in this presentation; however no other data are available . . .

We have put that in the brief because we have to talk in terms of concrete dollars and cents. But I think that even in 1970 we still have not come to a delineated definition of what it is to be poor in Canada or to be poor in Ontario. We have used gross figures to arrive at this position, and we may talk about one out of every four persons being poverty stricken, but when you walk in metropolitan Toronto and see a lot of people, you have to find out which is the "every fourth person" that this is applicable to. Once we have a definition that everybody understands, then we can arrive at how many people there are in that category. We know what they need, and we will know how much is going to be needed at the national-provincial level to bring all these people up. But we have to start out with a definition that is scientifically sound.

The Chairman: But, Mr. Minister, we have the definition from the Economic Council. They gave us a scientific definition. They have made a complete study on it. Then Miss Podoluk of the DBS has given a definition. The brief submitted by the Department of National Health and Welfare discussed this matter thoroughly and they accept Miss Podoluck's definition and the definition of the Economic Council. So what more is required? I am sure your people have been following our proceedings and in this committee we have been able to define the poor without actually giving you their house address and telephone number. I thought we had done that pretty clearly.

Senator Inman: I have just more question, Mr. Chairman. On page 3 in the bottom paragraph you mention that a poverty line is gross and arbitrary. Then you go on to say other things, but you say "inherent in it is a number of problems. One of the fundamental ones is the definition of income as gross cash income before deductions for taxes from wages, salaries, pensions and investments."

Mrs. Etchen: Well, the poverty-line, as we say, is gross and arbitrary. That is in terms of cash, but we

think a definition of poverty in terms of need would be more suitable. We would urge you to consider what the Bureau of Labour Statistics has done in the United States. They have done an immense research project there resulting in five or six publications which approaches the problem on the basis of what a person needs to maintain a quantified specific standard of living. This is related to the size of the person's family, their ages, where they live, the kind of house they have, and it takes into consideration a broader kind of a definition of income than the one here, and it does not debar people whether they have 70 per cent of their money to spend on food and shelter. It relates it to need. So we feel quite strongly that looking at the budgetary deficit measurement means of identifying poverty under the Canada Assistance Plan and looking at the budgetary standards developed by the Bureau of Labour Statistics in the United States, that some place in Canada, perhaps at the level of the DBS or at some national level or National Health and Welfare—and we ourselves have co-operated with some of the agencies—could use this budgetary standard approach that relates needs to the poverty line, and then you go out and price the needs.

The Chairman: That was Miss Mollic Orshansky of the Department of Agriculture in the United States which for all intents and purposes was discussed by Mr. Willard of the Department of Welfare when he was here and was discussed also in his brief. Even the United States Government in its present assessment has not accepted that as the basis of poverty and accepted a money value rather than one in kind.

Senator Fergusson: Before the Minister brought it to our attention, I had noticed by the biographies that were supplied that there were two high-ranking civil servants among the delegation and I had intended to congratulate the minister on that. When I was a civil servant myself, my greatest ambition was to become a deputy minister. I did not get there, but I am glad to see that other people are on their way. I think when you have an assistant deputy minister and a director of a planning and research branch in the Civil Service, it shows that you do not restrict advancement and promotions in your department to males which we feel occurs all too often in some departments. As I remember it was in Ontario that you passed the first equal pay bill covering payments to women, so I assume you are carrying this into other things, and I congratulate you on that.

I also congratulate you on the excellent brief which gives a tremendous amount of information. We also

got a great deal of information from the minister's presentation. I am still somewhat confused about how you operate, and I intend to read the minutes very carefully.

One of the things the minister said was that there are many female heads of families who are fully employed and who are receiving assistance. How do they get into such a position? What female heads of families who are fully employed are receiving assistance? Maybe it was the deputy minister who said that.

Hon. Mr. Yaremko: We will have Mr. Groom, Executive Director, Social Development Services Branch and Director of Family Benefits who will be able to detail that for you.

Mr. Groom: The woman who is widowed, deserted, separated can apply, even though she is working, for general assistance from the municipality, and on the basis of having lost her principal family provider, she is eligible. She is also entitled at the discretion of the municipality to earnings exemptions on what she does earn. So she could be fully employed, getting general assistance, and earnings exemptions and also the other benefits that do accrue. So there we have an example in Ontario of a fully-employed person receiving social assistance. Under family benefits, which is a provincial program, she could also have the same situation, but here it would be restricted to a deserted or widowed woman, and where the desertion as I mentioned earlier, would be three months. However, in family benefits, when she does reach an average of 120 hours per month, she is then considered to be fully employed on a long-term basis, and she ceases to be eligible for provincial allowances. In the event that her income falls back below that, she can reapply for general assistance at the municipal level. So we do have fully employed mothers in Ontario receiving social assistance.

Senator Fergusson: I think the deputy minister or the minister also said that you believe that the level nearest the people should handle the social services for the people. Now I come from the Province of New Brunswick and they have some different ideas there. I would like to have you say something more about why you think this is the way it should be.

Hon. Mr. Yaremko: I think there may be more than just the philosophy involved. When you consider the size of New Brunswick and the number of people involved, and then you consider the size of the Province of Ontario and the number of people involved there, and the disparity in the spectrum

between the various parts of the province — this is the conclusion we have arrived at. You see, it is the ability to get close to the people that is important. In New Brunswick, you are small enough that you are close to the people even at the provincial level, whereas in Ontario the province is so big that we come at a long distance. For example, you take Metropolitan Toronto with its two and one-half million people — it is almost the size of a province and is even bigger than some provinces, and they are delivering the services.

Senator Fergusson: But all local social services in Ontario would not be carried on by large municipalities. You have small municipalities too, and if they were going to do the administration, would they be able to hire as good administrators to do this job as they would be able to were it done on a larger scale?

Hon. Mr. Yaremko: No. This is one of the things that we are embarked upon curing. In the Province of Ontario we have roughly a thousand municipalities, and originally all the administration was done at the local level by this vast number of municipalities.

Over the last ten years we have been trying to develop regional administration, at the county and district level, and now about half of the thousand municipalities are within the regional set-up where they are able to provide that kind of base. We are still holding out a carrot to the others. We have not reached the stage where we say, "You will combine!"

Senator Fergusson: Actually, it is not really local but regional administration you are aiming for.

Hon. Mr. Yaremko: Yes, but it is at a lower level than the province.

Senator Fergusson: Yes. I misunderstood you. I thought you wanted to carry on at the municipal level, as we had done in the past, and it seemed to me this was a step backward.

Hon. Mr. Yaremko: You are quite right. We are headed into regionalization.

Senator Fergusson: That is what I thought, and it was a little confusing.

On page 17 you speak of recipients of family benefits, and in paragraph 5, the last sentence, you say:

They must be in financial need and in one of the following groups:

(1) A person 65 years of age or over who is not receiving Old Age Security.

Who, at 65 years of age, is not receiving Old Age Security?

Hon. Mr. Yaremko: Those who do not meet the 10-year residence rule.

The Chairman: Five years.

Hon. Mr. Yaremko: No, it is 10 years; it used to be five years.

Senator Fergusson: On page 9, in the paragraph at the bottom of the page, you say:

As a nation we do not seem to have reached a consensus concerning what should be done to improve matters. What are our social goals? What are our priorities?

Would you tell us what you think our social goals should be and what our priorities should be—that is, for Canada?

Hon. Mr. Yaremko: I would think the determination of our social goals to provide "a place in the sun," to use the euphemistic language I used in my opening statement. It is pretty easy to arrive at a consensus.

I think the bigger challenge and the challenge that awaits this country is whether the people will have that commitment which will enable us to achieve our social goals. We have an affluent society. Somebody was saying 90 per cent are well off or are having it pretty good. We have to get that 90 per cent worried about the 10 per cent.

Senator Carter: Where did you get the "90 per cent" from?

Hon. Mr. Yaremko: Somebody used the figure.

The Chairman: It is 80 per cent.

Hon. Mr. Yaremko: Somebody in one of the Toronto newspapers used it last week, but if there is one in four, how do we get the three out of the four to be committed to the other one? I myself, the senator here and others remember the war effort. I recall those days vividly, when the whole nation, everybody, without exception, geared themselves to a commitment. They had a goal, and everybody was involved to the fullest of their capacity. Of course,

then everybody had a stake, everybody was more or less committed because everybody's future was jeopardized. We were not just fighting for the other man; we were fighting for ourselves. We were working in the plant or doing without, not just for the other man, but for ourselves. If we could get that kind of commitment in peace time, even for a short period of time, one or two years, we could do a tremendous amount.

Senator Fergusson: How can we make people want to do this? This is what we have asked so many people.

Hon. Mr. Yaremko: I think, first of all, they have to know what the facts are, they have to know what is going on. They have to see, become aware of the one in four, or whatever number concerning which, senator, a scientific analysis says, "These people are 'have-nots.' They do not have what the others have and they are entitled to it, as of right, being members of society." Once people become aware of that, then we have to somehow, by articulating and leadership, involve people to get that kind of commitment. This is the biggest challenge that faces Canada now for the "haves".

The Chairman: Mr. Minister, I feel I have to ask you some of these questions. It is generally known, and it has been mentioned in the press, that in the City of Toronto if a person in need requires blankets, bedding, eyeglasses, false teeth, these are unavailable because they say they have run by their budget. This in the City of Toronto, if you can believe that—the richest city in Canada, with the most beautiful City Hall in North America. They cannot afford to give these essentials to their poor people. That is beyond my understanding. I sometimes wonder what those "new Messiahs" who came into the council this year are doing. You can get a protest meeting and a lot of noise any day in the City of Toronto about Vietnam, Cambodia and half a dozen other matters, but you cannot get a student or a young man to walk down the street to protest against this sort of thing concerning families. Some of them may be their relatives. Can you explain how we get them to commit themselves?

Hon. Mr. Yaremko: I wish I were the Solomon. With reference to the Metropolitan Toronto situation, Mr. Anderson has written a letter to the editor in which he explained the priorities. I think before Toronto is faulted too much, we should be aware of the fact that Toronto's record in this field has been extremely

good, but they have their priorities as to who is going to get what. Just who has done without has not yet been documented. One of our newspapers ran an article on Saturday in which they highlighted the flesh and blood of two families. You do not have to give a telephone number and the address of two families; they were brought out in public. When you examine what those families are getting in total, when you have those figures, you can judge what is being done in Metropolitan Toronto.

With respect to stirring up people, I have seen the parades and protesters marching up and down the main streets of Toronto, and here again, senator, you and I are familiar with all those streets on both sides of Bathurst Street and the south end, and all around that whole area. I have said to young people, "You want to do something. You cannot get overseas, but walk down to the south end and get yourself involved one or two nights a week. You can keep yourself busy seven nights a week." But, of course, that is where you are working in the rain and in the shadow, and not in the open. You are not on University Avenue where the whole world can see you under the glare of lights.

It is like the party canvasser, Senator Croll. The man working in the polling subdivision does not know all the excitement that is going on at headquarters. He is out knocking on doors and doing a very important job. It can be raining, and he is wondering whether anybody knows that he is there, and whether he is accomplishing anything. You and I know that that is where you get down to the grass roots, and you have to be right there where the people are.

Now, everybody cannot walk the streets, but they can be aroused by injustice, and they can say: "I will stand up and be counted by either participating or contributing tax dollars."

The Chairman: When we were last in Toronto we were told that some of those services which I mentioned were not available: a strip appeared in the *Toronto Star* on the weekend, underlining that they were still not available. We were told that by two people who appeared before us. That was not our immediate task, but it was brought to the attention of the City of Toronto, and yet nothing has been done. However, let us get on.

Senator Quart: I should like to ask a supplementary question. What can be done regarding more involvement, and all the rest of it? I have said on many occasions, and I will stand by my guns, that I believe it can be accomplished if a sort of co-ordinat-

ing council were set up, such as was done during the war years, which would go out to the women's national organizations again and ask for their involvement in the war on poverty. If that was done I think they would respond. But, each group feels that it would not be received very well if it took the initiative. It might bump into some social service agency and not be too popular. But, I still believe the women would do it.

Senator Fournier (Madawaska-Restigouche): Mr. Chairman, this has been a long discussion on the items that I wanted to discuss, and they have all been very well taken care of. This morning we are playing in the same puddle, and asking questions that have been asked before. The Province of Ontario has presented a brief that we were expecting. It is like all the others. In general, everybody is in accord as to what has to be done and what the present situation is, but there is one thing in this brief that has impressed me more than anything else and that is the part that concerns the effort the Province of Ontario is making towards filling the gap between the earnings of the working poor and their needs, and especially those of the working widows and mothers.

I have always believed—and I repeat it this morning—that too easy access to handouts has produced many evils in this country. Many briefs that have been presented to us have been directed towards providing more money and more handouts. Handouts are good in one place, because there are many people who are deserving of them, as is evident when you classify the poor across Canada and see that there are those who are disabled, abandoned, and so on. However, there is a certain class of people who have created a problem which is getting worse all the time because access to money has been made easy.

I think the chairman mentioned a while ago that there are poor people who do not have to be poor. They are poor because they want to be poor. I feel sorry for the people who have to be poor, but I shed no tears for the people who want to be poor. I am confident that you are doing something towards filling this gap. You have people who are working but who, because of lack of education, their domestic situation, and so on, are unable to earn an income sufficient to provide for all the needs of their families. I understand that you are trying to fill that gap, rather than putting such a person on welfare. It may be that a man has qualifications that will permit him to earn only \$60 a week, and if he were on welfare he would be given \$80 a week, and he needs \$80 a week to provide for his family. The only thing for him to do is to get himself

fired, and to receive \$80 a week on welfare. This is the wrong approach. We should work out something to encourage such a man to work and earn the \$60 a week, and thus bring honour to his family and all the rest of it, and he then should be able to receive the difference between that sum of \$60 and the amount that is needed to support his family. At the moment his only course is to get himself on relief.

So, we have the working poor, and the poor who refuse to work. This is the problem that faces this committee, and it is a most serious problem.

If we go on handing out more money we will soon find that everybody will be poor on \$4,000 a year, and then we will find that people will be poor on \$5,000 a year. So, we have to be very careful in our endeavours to solve this problem. I have a great deal of sympathy for the people who really deserve assistance, but there are many people who have a too easy access to welfare, and they become an evil to society. They cost the public a lot of money, and it is going from bad to worse.

That is not much of a question, but those are the remarks I wanted to make.

Senator McGrand: I should like to refer you to the first paragraph on page 34, which concludes what is said on the previous page. It reads as follows:

The Department suggests that it would be more appropriate to transfer funds expended in the Family Allowances program to the provinces which have the authority to distribute them selectively. The provinces could then establish income tested programs which would distribute the funds to lower income families. This would substantially alleviate the problem of the working poor.

Now, I do not quite get the meaning of this. I understand how difficult it is to find a yardstick that will evaluate the problems of the poor in different areas of Canada—the Northwest Territories, the Maritimes, the Prairies, and the large cities. Does this mean that you get a better effort made in a trans-Canada poverty control plan that is administered on a regional or provincial basis than on a federal basis?

Hon. Mr. Yaremko: I do not think, senator, that it goes towards the administration; it goes towards the use of dollars. I think everybody now understands the problem of the working poor. One of the significant factors in respect of the working poor is the number of children in the family. If a man is on social

assistance and he has six children, then that is taken into consideration. If he is working and has six children, the number of children does not make any difference.

In 1942 we attempted to correct this situation and developed what is now known as the family allowance. However, that allowance is universal, being granted to the entire population. A man with six children earning the minimum wage receives exactly the same amount as a lawyer practising in downtown Toronto with six children and an income of \$50,000. I do not know whether there is such a lawyer, but he does receive exactly the same.

We are questioning the use of those funds for that lawyer's family. On the one hand we have a family in receipt of family allowance which is not enough, because when we discuss poverty lines it is in terms of gross income. Everything earned or received from other sources is taken into consideration. Should those funds which really supplement the budgets of those far above the poverty line not be available at the provincial level to be directed into those families where the man wants to work, fully employed, all year around? The discouragement enters where the man has not the skill to produce sufficient for his family.

Senator McGrand: You said that at the provincial level you would take the money that goes to families and to adults in receipt of the old age pension who do not need it . . .

Hon. Mr. Yaremko: To a much lesser extent, yes.

Senator McGrand: . . . and you would distribute that money at the provincial level. Do you mean that the province would distribute it?

Hon. Mr. Yaremko: That is one alternative. In the middle of page 33 of our presentation we give two other alternatives.

We are aiming at greater selectivity.

Senator McGrand: A more flexible arrangement?

Hon. Mr. Yaremko: Flexible is one word, but selectivity is the word. It is universality on one side of the concept and selectivity on the other.

Senator McGrand: Do you believe that there are provincial bounds which make a uniform trans-Canada proposal difficult to administer?

Hon. Mr. Yaremko: Yes. I will not go into the question of constitutionality or administrative efficiency.

We arrive at a level where the selectivity can be better the closer we are to the people. In that case selectivity programs can be more highly refined than at a national level.

Senator Carter: Would you follow that argument through and say the provinces should give the jurisdiction to the municipalities because they are closer?

Hon. Mr. Yaremko: Under our general welfare systems we now have a large portion of the discretionary element at the local level.

Senator McGrand: It would mean that perhaps you would have a section of Newfoundland, for instance, where people were receiving a certain amount of money according to their needs and another area, downtown Toronto or Vancouver, for instance, where there would be a group of people receiving assistance according to their needs. Therefore you would not have a policy across Canada providing for individuals to receive a certain amount of money regardless of where they live or their circumstances.

Hon. Mr. Yaremko: That type of approach becomes so inflexible that what may be just sufficient in certain parts of Ontario would be more than sufficient in other parts of Canada.

This could be vis-a-vis any grouping of provinces. Therefore, these difficulties arise when the standard is universally applied. This is especially so if it is the top standard for all.

The Chairman: Would you then say that the old age assistance, unemployment insurance, family allowance and medicare, which are universal programs, are not succeeding in their approach, disregarding the amounts?

Hon. Mr. Yaremko: They are achieving certain goals well. However, the big question is are they playing their role in the anti-poverty structure?

You have touched on the key of the whole problem, that we must develop a system to integrate old age security, family allowances, unemployment insurance and, above all, the income tax structure together with all the other programs in order that they achieve the purpose of enabling every family or individual in Canada to live properly.

Senator McGrand: You say we have the old age pension and the family allowance, which should be made to serve everyone in the best manner possible. In 1943 there was some feeling in Ontario that the family allowance across Canada was not the best system. It was said that the amount of money contributed by the people of Ontario should not be distributed across Canada but concentrated in Ontario to be paid to the needy of that province. This would result in something better for the poor of Ontario than the family allowance would provide. You will remember that.

Do you mean that today you have this feeling that a similar plan could be worked out by the adjustment of funds from local sources to meet local problems? By local I mean provincial and regional.

Hon. Mr. Yaremko: The basis of the family allowance was the redistribution of income in relation to families and regions. It was a two-pronged principle. We have made much progress since then, because the equalization factor between regions has been effected. All the agreements across Canada since 1940 have brought about improvement.

We are directing our attention to the individuals and not touching upon the regional aspect. All parents in the Province of Ontario, regardless of whether they are above or below the poverty level, are entitled to exactly the same benefits under the family allowance.

Let us take Ontario. Is it proper that a downtown lawyer earning \$25,000 a year with six children should get exactly the same family allowance as a man who through circumstances is washing the dishes in the restaurant where that lawyer eats, earning a minimal income? This is one of the things we have to ask. If you asked that kind of question back in 1940 people had doubts and reservations about somebody being for or against a program. However, I think in 1970, thirty years later, we should re-examine that program and decide: Are the dollars being used in the total program across Canada, or within the province, used to the best advantage of the goal we are trying to achieve?

Senator Quart: First, I want to echo what Senator Fergusson said about women in high positions in your department. I have met Mr. Yaremko and Mrs. Yaremko, and I am sure you have a friend at court there. I am not trying to take anything from you, Mr. Minister, but it always helps somebody behind who will support what you do in the line of women's advancements. Having said that, I would like to add, following your references to political differences with Senator Croll, I assure you that on all the briefs that come

from provinces, or others, Senator Croll is always eulogizing Ontario, and sometimes it gets my goat. I should like to find out if you have some place in your department where poor people would go for information about where to apply for different things or to solve problems, which probably you do not deal with? Could you send them on to the right source? Is there any setup for that within your department?

Hon. Mr. Yaremko: Within our own department I think we are sufficiently knowledgeable so that anybody who turns up at any office is almost immediately channelled to the right place.

Senator Quart: I am sure they are.

Hon. Mr. Yaremko: The problem is not within our department. When you ask me the question about the province as a whole, I say that there is lots more that we will have to do in this regard. We have in the province—and I am glad I have a friend at court here—under the bulk of our programs established that a person is entitled to assistance as of right. That is now the law. The big challenge, or one of the aspects, is to make sure the person knows what his rights are; he has to know what his rights are, and then he has to know where to go to get those rights filled.

Senator Quart: Yes, that is it.

Hon. Mr. Yaremko: The problem of communication we have touched on in our brief, and it is something to which we are devoting our time, whether there should be more brochures, handbooks or telephone facilities. Of course, the face to face meeting with the social workers is significant. This is something we will have to spend much more time on in the immediate future than we have in the past.

Senator Quart: I thoroughly agree with you when with great pride you mentioned in the legislature your \$18.5 million welfare program, and the additional aid which you include for long-term cases, the blind and so on. You mentioned here that Ontario is still waiting for specific proposals from Ottawa agencies for a pilot project of subsidizing families with low incomes.

Hon. Mr. Yaremko: There was a community involvement conference, and I participated in the outcome of one directed towards social assistance. Mr. Munro was present, I was present, together with social workers and recipients. We had seminars and discussions. Mr. Groom has been carrying the ball for us

in this regard and I would like to ask him to speak to it.

Mr. Groom: At a meeting in Ottawa the point was raised—I do not know whether facetiously or not—that we would save money by supplementing the working poor, that people would then transfer from our social assistance to getting jobs, and I think a figure was quoted. Out of this came the thought that maybe there should be a research project in Ottawa. Mrs. Etchen and I came to Ottawa and discussed with people here the possibility of a research project, and they were to come up with a proposal. I think it is right that it should come from the people themselves. We are awaiting the arrival of that. I think it will take them some time to develop it, because it is something that is new to them. We have been at meetings, but as far as I know we have not received anything since then. Whether we will be able to do anything with the proposal depends on when we get it, and also what it would cost.

Senator Quart: I notice, Mr. Minister, it is reported in the newspapers that in announcing a series of increases in provincial aid for disabled and unemployable persons you stopped short of the controversial guaranteed annual income. This was reported in the papers, that outside the house you said you were willing to consider a pilot project with some form of guaranteed annual income when you get specific proposals from Ottawa.

Hon. Mr. Yaremko: I think this was the project to which Mr. Groom referred.

The Chairman: Let us be clear on this. I have a copy of the press report, too. I remember Project 70. Do I understand, Mr. Groom, that you are waiting for the recipients to develop a project for you?

Mr. Groom: No. There was a group called the Neighbourhood Improvement Committee, I believe, in Ottawa, and Action—70—Action.

The Chairman: They are the recipients; these are people who receive relief, who have come together for the purpose of getting some action. You are waiting for them to develop a project so that you can proceed with it? Is that what you told us?

Mr. Groom: No, it is the people in the communities.

The Chairman: Who?

Mr. Groom: Not just the recipients. For example, the chairman of the group now is the Ottawa Director of the Social Planning Council.

The Chairman: Who is that?

Mr. Groom: I think it is Dr. Zimmerman.

Senator Fergusson: Bil Zimmerman.

Mr. Groom: And Father Sayer was transferred.

Senator Fergusson: He has been transferred.

Mr. Groom: Yes.

Hon. Mr. Yaremko: It is a community group in which recipients are involved.

Mr. Groom: That is right.

Hon. Mr. Yaremko: Recipients are part of the group, but it is a total community group. It is not restricted.

Senator Quart: We had them here.

The Chairman: How long ago was that?

Senator Quart: It was just after Christmas.

The Chairman: That is February, March, April, June and July. Have you had any approaches from them yet? Have they come to you with anything yet?

Hon. Mr. Yaremko: Yes.

Mr. Groom: They made two submissions to the minister. We asked for more details and explained some of the problems we would have in working up the cost of what they had presented. They saw our problems and are working right now to come up with something.

The Chairman: So there is some activity on it?

Mr. Groom: Yes, but as the senator pointed out, Father Sayer was transferred to Montreal. . .

Hon. Mr. Yaremko: Mr. Groom has been flying back and forth with respect to this project.

Senator Quart: Father Hebert is still here isn't he?

Mr. Groom: He is the other one in the Neighbourhood Improvement Committee.

Senator Quart: Thank you.

Senator Carter: I may have missed something in your answer to Senator Quart. When you made this announcement the press report says that the first change will allow welfare recipients to earn limited amounts to supplement their welfare payments. Is that reflected in your brief and in its tables?

Hon. Mr. Yaremko: That was one of the very significant factors of the changes. More dollars are always welcome, but sometimes changes in approach can be more significant. You will note that we stick with the same type of family. I will let Mrs. Etchen explain this.

Mrs. Etchen: The column on the left-hand side are the amounts which a person may earn. If he earns something less than this he is still eligible for part of this social assistance allowance. A five-person family could earn up to about \$6,300 and still have some social assistance benefits.

Senator Carter: These tables we have before us have been valid only since the first of May?

Mr. Borczak: Perhaps, Mr. Chairman, I might clarify that. These earnings exemption provisions have been in our provincially administered family benefits program right from its inception. The change which the minister announced was the introduction of precisely the same kind of earnings exemptions used under the general welfare assistance program to May 1st. Prior to this date there could be an offset against earnings of the amount of the cost of those earnings; that is, the actual out-of-pocket expenses of the worker could be deducted from his earnings and the balance would then be taken into account and it would determine the amount of his payment. That, as you can appreciate, had little opportunity for encouraging a person towards employment. For that reason we introduced precisely the same provisions in the general welfare assistance legislation for May 1 as we had for family benefits. The figures we have here have applied in many, many cases to persons receiving assistance under the family benefits program.

The Chairman: What you actually did was to move the cases over to the family planning. You were formerly under a different system and the government paid half the shot.

Hon. Mr. Yaremko: That is different. I think you are talking about cost sharing. Under family benefits it is a 50-50 operation. Under the provincial programs we

have certain provisions outlined here for exemption — \$24 for the person plus \$12 for each child plus 25 per cent for certain provincial programs.

In the general welfare assistance there was no such exemption provision. If a man was getting \$300 for his family at the municipal level, and he went out to cut grass for a day and earned \$10, the city would only give him \$290. He still ended up with \$300.

Senator Carter: In other words you had the means test.

Hon. Mr. Yaremko: We have made it permissive. He gets his \$300 and if he goes out and cuts grass or does any other part-time job he is able to make earnings which now, under this table, can be quite substantial. But, then again, having looked after this group, later on you will see the effect when it comes to the working poor, the man who is fully employed and not only on social assistance. When we try to apply this formula to that group of people we come up with some real problems.

I know that these tables are going to be a little difficult to understand. Let us examine page 53 chart (1) with table 12. This is one of the most important parts of our brief. I am going to ask Mrs. Etchen if she will attempt to explain the significance of trying to take one formula we have developed for outside the labor force and trying to apply it.

Mrs. Etchen: The basic tables show the combined effect of the taxation system on the person's net income when he is on social assistance — the offset rates, the 25 per cent allowance, the needs level, the benefit level and, at the far right, the net income. It shows the impact of the whole system on the person. It also shows that a net income of \$5,000 to \$5,700 covers gross earnings between \$864 and \$6,385. We have a tremendous equalization of earnings if we apply this to the working poor.

Mr. D.G. Heagle, Projects Co-ordinator, Department of Social and Family Services, Province of Ontario: Planning and Research Branch; We have been examining the problem of the working poor and we have been trying to think of appropriate approaches to assisting them. The problem is that we do not have all of the answers. As an exercise we extended the existing provisions in our act. The results are best seen in column (j), table 12 on page 54. You can see it very simply by comparing column (a) and column (j). Our plan would work essentially the same way as the negative income tax system with the exception that it

would not be incorporated in the income tax structure. That is the major difference.

Senator Carter: Did I understand Mr. Minister to say that as far as municipalities were concerned this is permissive and not compulsory.

Hon. Mr. Yaremko: Yes.

Senator Carter: How many are taking advantage and how many are not?

Hon. Mr. Yaremko: We have not got the statistics. I know that metropolitan Toronto has indicated they are going into it, but we do not know the full implications of it yet. We are usually very very scientific. It has worked so well in family benefits we will transfer it to the general welfare assistance. Because we do not know the full implications across the province to every municipality, we have not made it mandatory.

This provision will enable more people to be brought into or put onto the social assistance roles than in the past. The additional income in the past would have taken them off the road. We have made it on a permissive basis and we will be watching it very carefully to see what impact this will have at the municipal level. Based on that we will decide what the next step will be.

The municipal administrator can take the position that if somebody complains to him that the allowance he is getting under all of the schedules is not enough the administrator can say that he should get a part-time job in order to make a few extra dollars. We do not know what the full effect of this is going to be. This is why it has been made permissive.

Senator Carter: I should like to go back to the line of questioning started by Senator McGrand. Before I come to my questions, however, I want to clear up one point. In reply to Senator McGrand you stated that the family allowance program was originally an income maintenance or income distribution program, and you take the same position in your brief. I don't agree with you there. I don't think that is valid.

Hon. Mr. Yaremko: It was twofold, senator. It was individual and regional. It was a two-pronged principle.

Senator Carter: I am not concerned about that. I am concerned about the distribution aspect of it. I don't think it was ever intended to be an income distribu-

tion program. It was a welfare program aimed at helping people with large families to outfit their children a bit better for school and that sort of thing. It was never intended as an income distribution scheme. It could not be, because it applies only to one particular group: people with children.

Hon. Mr. Yaremko: You and I are in complete agreement on that, senator.

Senator Carter: But you condemned the family allowance program and based your condemnation on that type of criticism.

Hon. Mr. Yaremko: No, senator. You and I are in complete agreement. The purpose was to assist large families, on the assumption that people with large families needed the assistance. But experience has proven that there are a great many families with substantial incomes and with a large number of children, and the question now is whether the thesis of 1940 can be applied in 1970, and I have given you specific examples to show that it can't.

Senator Carter: I want to dig into that a little bit further. In your reply to Senator McGrand, if I understood you correctly or remember what you said correctly, you referred to linkage, and you refer to linkage in your brief—the family allowances and old age security and so on; you regard those dollars that are paid to wealthy families with children who don't actually need the dollars as dollars that are wasted, so far as having any impact on poverty is concerned. Is that correct?

Hon. Mr. Yaremko: I didn't use the term "wasted".

Senator Carter: But that is what you meant.

Hon. Mr. Yaremko: But in a day and age when there are a limited number of dollars available to use for a certain purpose, you must devise the best method of utilizing those dollars to reach your objectives. Yes, we use the term "linkage". I would hope when I become 65 that by virtue of what I have achieved in life I won't need the \$79 as much as I know a great many people in the community I represent need it. They will need an extra \$10, \$20 or \$25 far more than I will ever need that \$75. The \$75 will permit me, even after taxes, to indulge myself in something for \$30 or \$40 every month after I am 65.

The Chairman: Mr. Minister, wouldn't a basic maintenance income, then, answer your objection? If

a person qualifies he gets it; if he does not qualify he does not get it. How much more selectivity would you like than that?

Hon. Mr. Yaremko: I don't quite grasp that.

The Chairman: You say you don't need the \$79. I don't need it either. I can get along without it, but I get it. What I am saying to you is that, if you had a basic minimum income, you wouldn't get it and I wouldn't get it. Only the people who qualified by some act or other would get it. Isn't that what you are saying?

Hon. Mr. Yaremko: That is it, yes.

The Chairman: Hold everything.

Hon. Mr. Yaremko: But not just by itself.

The Chairman: Wait a minute. The answer was yes. Then you say not by itself. All right. No group has ever come before this committee and said that the basic maintenance income was the answer to poverty period. You are saying not by itself. There are other things that need to be done. Many other things need to be done, but, basically, when we are talking about income, our view is that income is the first step out of poverty. I think you would agree with that. Then what better way could we have of getting a fair distribution than by giving it to the people who need it?

Hon. Mr. Yaremko: That is what you have outlined as a goal, senator.

The Chairman: Yes.

Hon. Mr. Yaremko: Not the mechanism. You have outlined the goal. In this I think we are in agreement. We have as a goal the enabling of people to have a certain level of life within Canada. That is the goal and then we have to devise the mechanisms of attaining it. Your plan still has a lot of questions. We are getting into territory where there are a lot of questions for which, with respect, there are no answers. I wish we could have been a little more helpful in our brief by supplying answers, but, as Mr. Groom pointed out, the fact is that when we came to deal with the working poor we posed more questions than we gave answers, but we feel we posed good questions and the right questions.

But let me make myself clear; when we have X number of dollars, we have to make sure that in every

program the dollars are being utilized to the best advantage within each program. Then we have to combine all the programs to be integrated in order to achieve a goal.

You are keen on one proposal. That is one mechanism. We suggest that we must utilize all these mechanisms.

If you look at the tables on page 12 you will see that the impact of the income tax structure on the working poor is another factor that has to be considered. You see there that one of the major problems that are going to confront us is this: is the left hand going to supplement the working poor only to have the right hand tax the working poor for those dollars? The income tax structure is a very positive factor in this, as we have pointed out in various charts. It is difficult to follow the charts through, but I suggest to you that those charts outline some of the reasons why we are asking the right questions and why these programs have to be integrated.

The Chairman: You know, I recall very vividly when the family allowance came into effect everybody said it could not possibly work the way we were proposing to do it. They said we did not have the administrative experience. We issued every head of family a cheque. That was the cheapest way to do it, and it turned out to be the cheapest way to do it. And the best. It was as simple as that. When we are talking about mechanism, I do not think we need concern ourselves with that, at this time.

Hon. Mr. Yaremko: Senator Croll, we are not looking at cheap methods of doing things. It is the simplest thing in the world to sit down and write out a cheque. You get somebody's name on a computer machine, and that machine will spill out a cheque every month as long as that person's name is on the list. That is the easiest thing to do, and it may be the cheapest. But in our own experience, the local administrator of the smallest municipality could always sit down and write out a cheque for \$10 or give a voucher for \$4. That is a very inexpensive way of dealing with welfare. The expensive way is when you begin to hire social workers and you have a staff, but then you are achieving a purpose. I am not quarreling with the fact that it is an inexpensive way of putting dollars into the hands of everybody, whether it be old-age security or family allowances. What we have to make sure of is that we are a little more selective. Now, I am not drawing a line or saying where that line should be in respect of those who should and should not get it. Probably the vast majority should get it, but

in a day and age when we are thinking of scarce tax resource dollars, we have to make sure what we are doing.

When you look at the figures for family allowance budget for the whole country and you see it is \$700 million, and then when you think of the one in four figure and the number of families involved, we begin to get the relativity of where those dollars are. We have to look at that person who is the one in four and try to see how we can help him and how we can help his family. We have excellent social service schemes. We don't get the baby allowances in our family, but I know there are mothers who do get it who simply put it the money into the bank for deferred consumption. But then there are other families who do get the cheque and use it for buying a supplement of next week's groceries.

The Chairman: Mr. Minister, when you talk about the easiest thing to do being to write a cheque but you need social workers and people who can do something towards rehabilitation, how do you allow a city like London or Windsor to do nothing but write cheques without a social worker on the staff.

Hon. Mr. Yaremko: Well, that is something else and I do not know the details of that particular situation, but in a week from today I will be addressing the Ontario Association of Welfare Officers and will be pointing out some of these things to them, because again we have generalities and we have some communities such as Metro where they have the most highly sophisticated delivery systems. Then there are others—you go the full spectrum to the situation where there is just a cheque-writing system and handing over the money without trying to cure the problem.

The Chairman: On page 3 of your brief, you gave what the Ontario Department of Economics said was a poverty line. Now, if we take your figures . . .

Hon. Mr. Yaremko: Actually, if I may say this, what that is is a matter for discussion. We have outlined three figures; there is the Dominion Bureau of Statistics, there is the Economic Council of Canada figure for 1968, and what we have done at the Ontario Department of Treasury and Economics is this; we have updated the 1968 figures to bring them up to 1969. They have just made an adjustment.

The Chairman: I am going to commend you for having done that, but my next question is; why do

you not use that and provide to that extent for the people on welfare?

Hon. Mr. Yaremko: We have to go to the next chart.

The Chairman: Never mind the charts.

Hon. Mr. Yaremko: They are very important. Let us go to table 3.

The Chairman: You have told us that \$330 is what you gave to a family of four. Now that is easy to multiply. It is \$3,960

Hon. Mr. Yaremko: Senator, that is one thing that all of us must stop. We must stop taking one figure and multiplying it and saying "that's it." Because there are a lot of other things. If you look at page 6, table 3—and you have to pay attention to tables . . .

We have a breakdown there and in the left-hand column is the social assistance which is what they get in dollars. But the middle column is what you have to go out and earn and pay taxes for and all the other deductions. As you will see, there is a footnote—(b):

Added to the basic allowance are amounts for income tax deductions at 1969 rates, contributions for Unemployment Insurance, and the Canada Pension Plan; Ontario Health Services Insurance Plan and Ontario Hospital Insurance at full rates. Family and Youth Allowances are included.

So, although multiplying your figure, you get the left-hand column, when you translate that into the kind of dollars that are earned, you get the middle column.

The Chairman: Yes, but I cannot eat the statistical middle column and I must eat. There is nothing there at all because the left-hand column shows the various provisions. I need that much money and I cannot get from these statistics.

Hon. Mr. Yaremko: The Economic Council figures are gross figures.

The Chairman: So are yours.

Hon. Mr. Yaremko: They are not net. They are gross. And what you are talking about in our social assistance are net figures. You see the Economic Council has a figure for a poverty line for a person who has that and then has to provide everything for

himself. He has to have that much to pay for everything, for health insurance, hospital insurance and all these things. He has to earn that much money. Now, you will see the poverty line figures on the right, and this is where I would ask you—and this is one of the problems, Senator, of the intricacies of our Family Benefits Act—and I am sure your researchers have got it. When you take the Family Benefits Act, you have to. . .

Senator Carter: I have a few more questions and I am watching the clock.

The Chairman: Well, we'll stick around.

Hon. Mr. Yaremko: This is so important. This is one of the basic ways of understanding our social assistance program. You take a family, mother, father and children at certain ages, and we have a schedule, and you have to go through the FBA and pick up the pre-added budget and the shelter allowance and you get the number of dollars, and then you have to remember that that particular family gets free hospital care. For example, that child in the newspaper on Saturday was in hospital for two months and that was paid for by society at a cost of X number of dollars either in direct costs or in premiums. They get dental care and other things, so that the equivalent—you get so many dollars but you have to think about the family.

Senator Carter: They get services.

Hon. Mr. Yaremko: They get benefits, and certain families if they are on family benefits or general welfare assistance—if they are those who are fortunate enough to be in housing accommodation provided by Ontario Housing Corporation, their dollars are even better utilized. For example, I noticed one of the families had four-bedroom town house at X number of dollars. Now somebody who was not accommodated by Ontario Housing facilities would be paying considerably more than that. So you have this difficulty of translating or multiplying the \$330—which I did on the week-end too, Mr. Chairman—by 12 to get a figure. That figure has only a certain amount of significance. It is not the total figure.

Senator Carter: Since we are long on tables this morning, let us turn to table 8 on page 31. I must compliment you on putting up a number of alternate schemes, which are worth studying, particularly one of them where you double the grant, the family allowance, rather. I want to question you on that later. But

the other one is where you suggest a combined demogrant and then an adjustment in the tax system to recover. This I think is worth a lot of study. Now, this is the thing that bothers me on this. At the bottom you have doubled the family allowances and you have only increased the net cost by around 50 per cent, because you expect to recover. You say.

It is assumed that 30 per cent of the payments to the non-poor will be recovered.

On what do you base that assumption?

Mr. Heagle: We make two assumptions which are essentially unrealistic. We are not in favour of this proposal.

Senator Carter: No, neither am I.

Mr. Heagle: We just want to make the point. The statement has been made on several occasions, I believe in front of this committee, that if we double the family allowance and make it taxable, it would make it quite efficient and this would give a lot of short-term assistance to poor families. But the inference has been made on several occasions that this brings an awful lot of money back. What we are attempting to prove is that it does not. So we are making two assumptions which actually favour the proposal. The first is the 30 per cent would be taxed back. In fact, that seems extraordinarily high. If you go to the bottom of page 30 there is a footnote.

Senator Carter: I want to correct myself, I think when I read it off I said "near-poor." I should have said "non-poor."

Mr. Heagle: We simply point out that on 1967 income distributions you would have to have gross incomes in excess of \$10,400, \$10,700 or \$11,000, depending on your family unit size, to pay a 30 per cent tax rate. In 1967 we certainly did not have enough people earning that amount of money to get back anything like 30 per cent of the payments.

The second assumption we put in was that none of the money would be taxed back from the poor. In fact, under the existing income tax system we would tax it back. If it were made taxable, we would not tax it back because the tax exemptions start quite low.

Senator Carter: You expect to get some tax back from the near-poor. How do you define "near-poor"?

Mr. Heagle: We are going back to Senator Croll's earlier comments on what "poverty line" is. If we say

that the poverty line is \$5,060 for a family of five, does this mean that someone with \$5,062, a family of five, is not poor? Those are the people with incomes near the poverty line, perhaps \$1,000 or so above it, depending on the region—which is another problem of the poverty line—who really have more money than the poverty line, but are certainly not living in any degree of affluence. We think any proposal which would turn the family allowance and concentrate it in the hands of the poor should also be extended to leave it in the hands of the near-poor who need the money very badly as well.

Senator Carter: Earlier this morning you drew our attention to Table 10 on page 42. In your discussion with Senator Croll you referred back to the services. I am thinking of Table 3 where you said that the family of five would get net welfare payments plus dollars in free services which would bring them up to the poverty level. But in your comparison on table 10, to prove your case, you list "income tax, \$290." If the White Paper proposals are put into effect, this chap is going to be off the tax roll because 750,000 taxpayers are going to be taken off.

Mr. Heagle: I am not sure of that exact example. There will be a large number of taxpayers, as I recall. We are not quarreling with that assumption at all, but I think in another case we run a table where . . .

Senator Carter: No, stick to Table 10, by way of proving this with regard to the social assistance family.

Mr. Heagle: Roughly speaking, that family would have exemptions of \$4,050, off the top of my head, under the new Benson proposals. As their earned income is \$4,784 and I think the first tax rate is at 20.7 per cent, they would still pay income tax.

Senator Carter: A five-person family earning \$4,784 is going to pay income tax under the new proposals. It will be much less than \$290.

Mr. Borczak: May I draw your attention to page 47, Table 11, in which we have drawn in the White Paper tax proposals and show in the middle column, again with that same family of five persons earning \$4,784, that under the Benson proposals there is still a net taxable income of \$694, as against a previous amount of \$1,709, and that person would, in fact, have income tax to pay, even under the new proposals, of \$153 as against \$292.

Senator Carter: He would be taxed \$150.

Mr. Borczak: That is right. So you see the dilemma here, that you are getting quite high up into the earning levels and still find that people are going to have to pay income tax, as we try to demonstrate in showing these equivalent values of allowances.

Senator Carter: Are you taking into consideration the higher exemptions under the new proposals?

Mr. Borczak: Yes, this is taking all the higher exemptions under the Benson proposals in that middle column. So, what we are trying to demonstrate in these various tables to which we have referred — Tables 9, 10, 11 and the previous one — is that one cannot and should not take the amount of the assistance payment and compare that with a poverty line alone. One must re-evaluate that assistance payment to bring it closer to the same relative kind of comparative figure with the earnings figure before one can make a real evaluation of what the level of the allowance means, and therefore one has to allow for income tax payments, for the other deductions that the working individual has to meet out of his pay cheque. Therefore, you will see the gap between the poverty lines which we are discussing in this brief, which we do not accept but which we are using simply because they seem to have been the standard established by most groups appearing before this committee.

Senator Carter: Yes. You did not emphasize this point very much in your brief, but the leakage to which you refer with regard to the 80 per cent of family allowances, that 80 per cent is geared to our current income tax system, and if you change to a different income tax system, as a matter of fact, you could wipe it out altogether. You can modify your tax system to wipe it out altogether. You suggest that in your second alternative, with a demogrant plus a modification of the tax system. How far have you developed that modification?

Mr. Heagle: That was simply an alternative we have explored. It appears to be quite feasible by modifying the exemptions or perhaps introducing the tax credit structure instead of the exemption. This effectively draws away income from people.

Senator Carter: But your purpose is to utilize these dollars and give them to people who need them, rather than to people who do not need them.

Mr. Heagle: Precisely, that is right.

Senator Carter: What you are going to do is pay them to everybody, but you are going to take them back from those who do not need them.

Mr. Heagle: Yes, through the income tax.

Senator Carter: Yes, through the income tax or some other device?

Mr. Heagle: Yes.

Senator Carter: Under this new proposal what would you have to do? How would you modify the tax system in order to get your money back?

Mr. Heagle: This is a hypothetical exercise, but you would have to do several things. First of all, you would have to turn around and change your exemptions or deductions under the new proposal. You would either reduce or eliminate them, or put in a surcharge that would effectively increase your marginal tax rate, or lower the point at which your marginal tax rate commenced. If you started making payments to people who are above the poverty line they would receive less in family allowances by the time their exemptions were lost and the marginal tax rate came into play, and thus effectively the payments would be taken back from them, whereas the people who were below the poverty line would receive far more in family allowances than they will lose through the reduction in the exemptions.

Senator Carter: You are going to do two things in this system. You are not going to leave the family allowance at the present rate. You are going to double it, or increase it by some amount. You have not made it clear whether you are going to recover what you call the leakage and convert that into family allowance, or whether you are going to introduce a new scale of family allowance and then recover the leakage by some surcharge or other device.

Mr. Heagle: That alternative would visualize an increase. You could pay three or four times the family allowance, and take it back through the tax structure. In effect, you pay it to everyone and it will be paid back through the tax structure. Only the people who really need it and who are below the poverty line, or just above it, would receive it.

Senator Carter: Let us consider a family of four which gets \$15 a month for two children. That is \$180 a year. You are going to multiply that by two or three,

are you? You are going to raise it to, say, \$500 a year?

Mrs. Etchen: We say that the harmonization of the tax scheme is something that our own provincial treasurer is vitally interested in. He has been negotiating this with the federal Government. We do not feel we can make proposals here because the harmonization of the tax system is a financial matter, and we cannot make recommendations in this area.

Senator Carter: I do not know what prevents anybody from showing how it can be done.

Hon. Mr. Yaremko: That is really the 64-dollar question. As I have said, none of us can operate unto ourselves. This is really going to take all of the mechanisms, financial and otherwise, to come up with an answer. I do not envy this committee its task, because of the ramifications involved in reaching that goal. At all governmental levels there are three or four, or even more, departments involved. I do not know how Solomon is going to come up with an answer that will tie everybody in.

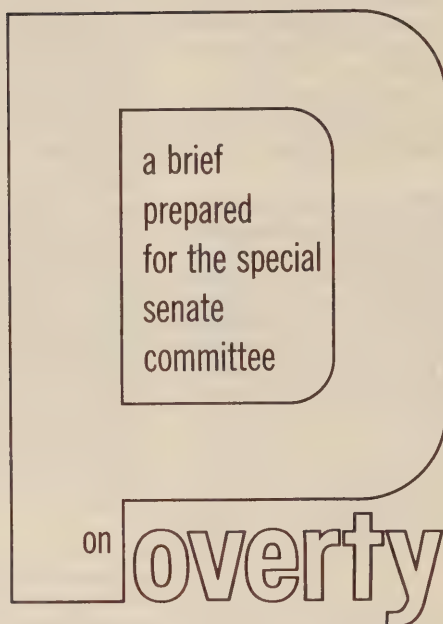
The Chairman: It does not appear to be as great a task as it appeared when we first started our inquiry. We are beginning to see some things very clearly. We are delighted at having this opportunity to get on with this work.

Mr. Minister, as there are no further questions I want to thank you for your personal reference. We share an old friendship. You have presented a thoughtful and constructive brief, one that will be very valuable to us. There are many problems that remain unresolved. You have made a contribution to our thinking that will help us reach a conclusion in this matter. On behalf of the committee, I thank you and all the members of your staff.

Hon. Mr. Yaremko: Thank you, Senator Croll. We have been extremely pleased to make this presentation. We have been reading carefully the reports of your proceedings and the briefs that have been presented to you. Mrs. Etchen and her staff have been analyzing them, just as your own people have. As we have said, we have all the brains and all the resources, and I think we can achieve our common goal.

The committee adjourned.

APPENDIX "A"



Ontario Department of Social and Family Services

Honourable John Yaremko, Q.C., *Minister*
M. Borczak, *Deputy Minister*
MAY 25/1970



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I. INTRODUCTION

The rapid growth of the provincial economy during the last decade has resulted in a substantial reduction in the number of poor persons in Ontario although it has not altogether eliminated poverty. Gross and real incomes have increased appreciably; families at the lower end of the income distribution have benefited from the general high levels of economic growth and employment. However poverty is still widespread. In the two year period between 1965 and 1967 the average income of all Ontario families rose nearly 18 per cent. When inflation is taken into account, the real increase was almost 10 per cent.¹

The benefits of prosperity have not been distributed equally among all low income groups. Some have been able to raise themselves out of poverty by their own efforts while others have not. Prosperity seems to have offered more opportunities to poor men than poor women to increase their income. While we have not been very successful in defining poverty we recognize as a nation that the minimum standard of living that is acceptable to us has been rising. We cannot expect poverty to disappear in spite of the fact that it is declining: some people will not be able to improve their lot by themselves. At the same time society is subtly revising upward its definition of what poverty is.

A. Definition of Poverty

Any discussion of poverty must begin by defining ways of distinguishing those who are poor from those who are not. Any one definition is likely to be unsatisfactory and open to the objection that it does not include sufficiently broad criteria to be generally useful to various groups such as economists, sociologists, statisticians and policy planners.

The sociologist analyzes the culture of poverty and sees it in the following dimensions:

Poverty involves underemployment and scattered, irregular, miscellaneous employment, often at undesirable occupations; it involves extensive borrowing through formal and informal sources, use of second-hand clothing and furniture, and overcrowded dwellings and lack of privacy. The poor have a higher death rate, a lower life expectancy, lower levels of health - physical and mental - and of nutrition, than the prosperous; . . . they are relatively unlikely to be members of labor unions, political parties, and other organizations; . . .

. . . Equally familiar is the inverse relation of education and income, . . . Associated with low education are low school achievement, inadequate verbal skills, lack of intellectual stimulation, lack of motivation to education . . .

. . . the poor tend on the whole to be more authoritarian than the prosperous; . . .²

The economist looks at other dimensions. Employment policies, demand for goods and services and income distributions are among his approaches to an understanding of the nature of poverty. Income is the measure on which data are most readily available. Poverty is insufficient income to maintain an

1. See Appendix Table 1.

2. Herzog, Elizabeth, "Some Assumptions about the Poor", Social Service Review, Vol. 37., December, 1963, pps 392-3.

acceptable standard of living.

The concept of poverty is influenced by the current general standard of living of the remainder of the population; it is related to certain basic conditions of life and the ability to live as everyone else does. It is different now than it was 40 years ago; it is a different phenomenon in Canada than in underdeveloped countries.

In order to be useful in policy planning, measures of poverty must be developed. If the "income deficiency" approach is adopted a series of poverty lines based on family size are the usual criteria. "Standards of living" on the other hand are built up from a list of goods and services specified as representing a level of living; these are then priced to determine the income necessary to meet the budget requirements. These standards include basic elements such as food, shelter, medical care and other needs. Both approaches have limitations as statistical measures of poverty.

In the United States, the Bureau of Labor Statistics has developed budgetary standards for city workers, retired couples and 4 person families. The latter standard contains 3 levels of living, some of the differences among them being that lower budgets specify that persons live in rented housing and use free recreation facilities; in higher budgets home ownership is specified, more household appliances are used and more services are purchased by the family. Quality standards are superior in the higher budget and quantities are increased. The general content of the budgets is based on current living standards. Nutritional standards were developed by technicians; other consumption patterns are based on surveys of consumer expenditure patterns. After completing the technical quantitative and qualitative aspects, pricing surveys were carried out. The budget costs specified are estimates of the gross incomes required to maintain the living standards.

The Canada Assistance Plan requires a budget deficit approach to determine need. Specified budgetary items have dollar values attached to them and the sum of these less the income available to meet them becomes the "need". The Plan stipulates that in addition to considering the budgetary deficit, resources must be taken into account.

Some limitations in using this approach include: the difficulty in arriving at accepted standards; complexities induced by the considerable variation in family characteristics; the multitude of needs levels arising from the application of the system. This is not a neat and tidy package of simple statistical definitions of needs.

One of our suggestions is that the Senate Committee on Poverty recommend that a study be carried out to improve Canadian poverty indexes.

It does appear to us that the budgetary standard approach has potentially more adaptability and usefulness for measuring poverty than a criterion based on gross annual income. A federal-provincial task force is analyzing the budgetary standards approach for application by all provinces in the social assistance field. However a wider survey of its usefulness seems desirable. The basic concepts and procedures have been developed by the Bureau of Labor Statistics. While adaptation would be necessary, the techniques have been worked through carefully. A national survey of consumption patterns would be needed as well as intensive research into standards for food, clothing, shelter, etcetera. Social assistance administrators could improve their budget procedures considerably if such standards were available and Canadian statistical measures of poverty would be more realistic and meaningful.

We would like to see commonly accepted, objective, quantified standards developed with which the incomes of individuals and families can be compared across Canada. These standards would permit income earned to be compared with income from social assistance. They could be designed to allow for variations in consumption patterns and prices across the country so that valid comparisons of poverty levels could be made from one province to another and from one region to another.

Ontario quantified a food standard several years ago; this could now be reviewed. Other components of our pre-added budgets such as clothing, utilities, household supplies and personal requirements are less precise. The Department of Social and Family Services is looking for ways of refining budgetary techniques and defining needs. The establishing of national standards of living for a variety of purposes seems a more rewarding approach than the Province of Ontario carrying out a detailed analysis for social assistance purposes only.

The poverty line approach is the alternative to setting standards of living. This is based on gross annual income; low income is defined as 70 per cent of income spent for food, clothing and shelter. Poverty lines have been drawn by various government agencies, based on Economic Council of Canada guidelines for 1961. They have been adjusted as indicated below.

TABLE I
ECONOMIC COUNCIL OF CANADA
POVERTY LINES ADJUSTED BY VARIOUS AGENCIES

Family Size	Dominion Bureau Statistics 1967	Economic Council of Canada 1968	Ontario Department Treasury & Economics 1969
1 person	\$1,740	\$1,800	\$1,900
2 persons	2,900	3,000	3,160
3 persons	3,480	3,600	3,790
4 persons	4,060	4,200	4,430
5+ persons	4,640	4,800	5,060

Poverty lines are in terms of gross family income before deductions. All forms of income are included in the gross poverty lines, e.g., family allowances and other transfer payments. In its 1961 census monograph, the Dominion Bureau of Statistics says " . . . the income distribution is analyzed primarily in terms of the distribution of gross cash income before deductions, for taxes from sources such as wages and salaries, pensions and investments."³

A poverty line is gross and arbitrary. Inherent in it is a number of problems. One of the fundamental ones is the definition of income as gross cash income before deductions for taxes from wages salaries, pensions and investments. Such a definition does not take into account many income sources, typically more significant to persons with low income than others. Some of these sources are rental of rooms, board and lodging provided to members of the family and others, income from apartments and other small properties and casual earnings of other members of the family. Income in kind is also not taken into account; this is particularly significant in rural areas where food and fuel are produced at home and partial payment of wages in kind is common. As Titmuss has said there is a number of alternative definitions of income and a choice has to be made according to the purpose at hand and the availability of data.⁴

3. Podoluk, Jenny, Incomes of Canadians, Ottawa: Dominion Bureau of Statistics, 1968, p.5.
4. Titmuss, Richard M., Income Distribution and Social Change, London: George Allen and Unwin Ltd., 1963, p.31.

The concept of a poverty line fails to relate income to needs of families and single persons. A 4 person family living in a rural non-farm community paying a low rent may be financially better off than the same size family unit living in a large metropolitan area where rents are high. The quality of accommodation may be much better for the lower rent in the former community than in the latter. Different expenditure requirements between the same size family unit may be due to the need for drugs, dental care and education. The age composition of the family unit also causes differing expenditure patterns. Young children tend to require smaller outlays for food, clothing and entertainment than older children.

Needs are related to asset holdings, stocks of such things as automobiles and household appliances and the ability to borrow money or make large credit purchases.

No account is taken of the fact that some families may have an imputed income from capital assets and thus have lower money income requirements than other families . . . Ideally, as well as income data, information is needed on other aspects of consumer finances such as asset holdings and the stocks of consumer durables owned. Obviously a family of three with an income of \$3,500, a house owned free of debt and savings of \$10,000 is better off than a family of three renting accommodation and having no accumulated assets.⁵

There are regional variations in price levels and living standards, even within the Province of Ontario. For instance some food items are more expensive in northern Ontario than elsewhere because of the cost of transportation.

Annual income is used to determine a poverty line, but this may be an unsatisfactory way of determining low income. Annual income patterns change during the life cycle, being modest for younger age groups, larger from this time to retirement and then smaller again. The young expect their incomes to continue rising and thus even though they are "poor" they may not regard themselves as being so. Students may be foregoing income now in order to increase their earning capacity later. Retired persons are likely to be unable to protect their present income position. The subject of retirement incomes and deferred consumption is much too complicated to discuss here.

There are also problems in the short time base of one year. Some families with low incomes in one period recover in the next; economic conditions and the rate of unemployment fluctuate causing incomes to vary. Strikes, layoffs, changing export trade patterns and other similar conditions may be short term phenomena causing an annual income to be a poor indicator of the potential income level.

For these reasons statistics counting the numbers of low income recipients are less than completely accurate. The latest data available on income distributions are contained in a 1967 sample survey carried out by the Dominion Bureau of Statistics. Data on income sources are not available. Projections into 1970 of 1967 data are somewhat outdated. No adjustments can be made for changing socio economic conditions such as the trend to an increasing number of families with more than one wage earner; compensating adjustments for increasing wage and salary levels in the last three years are somewhat problematic as are adjustments for changes in social assistance payments (e.g. Old Age Security, Family Benefits and General Assistance); the effects on income distribution of higher rates of unemployment in the last 6 months are unknown.

5. Podoluk, J., Incomes of Canadians, p.181.

Throughout this brief Economic Council of Canada guidelines, updated by the Ontario Department of Treasury and Economics, have been used as the definition of poverty. We have misgivings about the reliability of statistical data contained in this presentation; however no other data are available except 1967 poverty lines and income distribution projections based on the sample survey done by the Dominion Bureau of Statistics in the same year. Thus there may indeed be one million men, women and children living in conditions defined by our statistics as "poverty" or this may be an over-estimate or perhaps the numbers have been underestimated; no one knows.

Using the adjusted poverty lines of the Economic Council of Canada, this is how a low income might be spent. The 70 per cent poverty line budget includes only food, clothing and shelter.

TABLE 2
LOW INCOME BUDGETS
1969

Consumption Pattern	Family Size				
	1	2	3	4	5
Food, Shelter and Clothing	1372	2212	2653	3101	3542
Deductions (a)	302	513	631	716	533
Uncommitted Income	286	435	506	613	985
	1960	3160	3790	4430	5060

- (a) Deductions for: Income tax, Canada Pension Plan, Ontario Hospital Insurance, Ontario Health Insurance and Unemployment Insurance.

Poverty Lines and Social Assistance Payments

A social assistance payment based on need is also a definition of a minimum acceptable standard of living or a poverty line. Because social assistance payments are not subject to income tax they cannot be directly compared to poverty lines based on gross income. Also, recipients of social assistance receive free additional benefits which wage and salary earners sometimes must purchase for themselves. Examples are health and medical insurance premiums. For these reasons social assistance allowances are more comparable to the "net income" position of the employed person than to "gross income". In order to compare social assistance payments to poverty lines it is necessary to convert them from a net to a gross basis. This has been attempted in Table 3.

TABLE 3

GROSS INCOME EQUIVALENTS
OF SOCIAL ASSISTANCE PAYMENTS
IN ONTARIO

Family Size (a)	Social Assistance	Equivalent (b) in Gross Income	Poverty Line
1 person (living alone)	\$1,380	\$1,630	\$1,900
(disabled)	1,560	1,844	
2 persons (adults living in unheated premises, southern Ontario)	2,448	2,912	3,160
2 persons (1 child 0-9)	2,234	2,857	3,160
(1 child 16+)	2,544	3,146	
3 persons (2 adults, 1 child 0-9)	2,772	3,367	3,790
(2 adults, 1 child 16+)	2,964	3,602	3,790
(1 adult, 2 children 0-9)	2,664	3,311	3,790
(1 adult, 2 children 16+)	3,024	3,793	3,790
4 persons (2 adults, 2 children 0-9)	3,156	3,856	4,430
(2 adults, 2 children 16+)	3,516	4,290	4,430
(1 adult, 3 children 0-9)	3,048	3,788	4,430
(1 adult, 3 children 16+)	3,576	4,245	4,430
5 persons (2 adults, 3 children 0-9)	3,540	4,340	5,060
(2 adults, 3 children 16+)	3,636	4,458	
(1 adult, 4 children 0-9)	3,432	4,276	5,060
(1 adult, 4 children 16+)	4,128	5,187	5,060

- (a) Allowances for families of two to five persons are based on the pre-added budget of The Family Benefits Act plus rented, heated shelter at the maximum rate.
- (b) Added to the basic allowance are amounts for income tax deductions at 1969 rates, contributions for unemployment insurance, and the Canada Pension Plan; Ontario Health Services Insurance Plan and Ontario Hospital Insurance at full rates. Family and Youth Allowances are included.

To the "equivalent in gross income" column an additional amount has to be added. There are two major items omitted because their cash value could not be assessed with any certainty:

Work expenses

Dental assistance.

Undoubtedly clothes, transportation and lunches cost the working person something in addition to the ordinary living expenses he has in common with the social assistance recipient but how much more cannot be readily calculated. Also, provincial allowance recipients with children receive free dental care.

A premium of \$1.40 per beneficiary per month is paid by the Ontario Government to the Royal College of Dental Surgeons. A similar type of insurance is not available to the working person and the premium is not a measure of the value of the benefit. The cost of equivalent dental care could not be determined.

Table 3 shows that gross earned income equivalents fall short of the poverty line by 10 per cent or more for families with young children; when children are older the poverty line and gross income are more nearly equal. If work expenses and dental care are taken into account it appears that at the poverty level there is not much monetary advantage in favor of income from work as opposed to income from welfare.

B. Policies of the Province of Ontario to Meet Poverty

The primary concern of the Department of Social and Family Services is with social assistance and social services programs. Since this brief is being presented by the Department of Social and Family Services and not by all Ontario Government Departments, primary emphasis is on income maintenance and social services and their impact on low income groups. However, other departments do make very substantial contributions to the alleviation and prevention of poverty and in order to give a more appropriate perspective a brief outline of some of these has been included.

Education has been demonstrated to be associated with the variation in earnings among individuals and among occupations. One of the common characteristics of low income groups is a low level of educational achievement. Public investments in social capital probably have a profound effect in improving the income earnings potential of individuals. As economists have noted, raising the educational level of the labor force has an important relationship to increasing the national level of economic growth. One of the more effective routes to a reduction in the incidence of poverty may be through improvements in the educational attainments of the population. During the last decade education services at every level, elementary, secondary, post secondary and university, have been high priority items in all Ontario budgets. To a considerable extent then future incomes are likely to have been improved by these investments.

Ontario public and mental health programs have expanded during the decade. Improved access to health services and treatment facilities has been provided with the introduction of hospital care and medical insurance programs. Health care services have been extended and made available to residents of the Province generally.

In the area of public housing, the Ontario Housing Corporation controls the development of such housing throughout the Province. It manages various family and senior citizen rental dwellings, either itself or through local housing authorities. Many low income individuals and families have been able to improve their living conditions through the rent-geared-to-income program of the Ontario Housing Corporation. Land assembly and condominium development are also important measures in assisting those with low incomes to own their own homes. In the next fiscal year, the amount of money required by the Ontario Housing Corporation is almost \$97 million dollars.

In social development Ontario has introduced a variety of services which have added to the quality of life. Some of the programs of particular benefit to those with low incomes are consumer protection and legal aid. The Human Rights Commission protects individuals against discrimination because of age, race, creed, color or nationality. A number of community development programs are sponsored by various departments relating to citizenship, recreation and other local services.

Ontario Government agencies have been directly involved in creating new jobs for new entrants into the labor force, in relieving regional economic disparities and in increasing export trade. The Ontario Development Corporation designates areas where industrial expansion is desirable; they have a program of Equalization of Industrial Opportunity which provides forgiveness of loans for certain new industrial activities in these designated areas. Expansion of employment opportunities is thus encouraged in slow growth regions.

Some departments have programs which assist particular geographical areas or groups of people; for instance the Department of Agriculture and Food has an extensive rural development program, the object of which is to improve incomes.

The departments and agencies of the Ontario government which promote economic growth, a high level of employment, improved health services and facilities, increasing access to educational opportunities and carry out other similar activities make a very significant longrun contribution to the prevention of poverty causes. However, not everyone is able to take advantage of rising levels of prosperity and improved social services. Also, there are many persons who are outside the labor force and who need special programs to assist them. It is to these individuals and families that the programs of the Department of Social and Family Services are particularly directed.

C. Poverty and the Social System

Income inadequacy and income insecurity are common to large numbers of people who cannot improve their relative positions by themselves. Social assistance provides the basic support essential to those who are for one reason or another unable to maintain themselves. Some are incapable of offering their services in the labor market and are likely to be dependent on government transfer payments for long periods of time. Others are in and out of the labor force and are intermittently dependent. Many other persons with low incomes are fully employed or are employed for substantial portions of the year. For them the problem is lack of education and job skills, lack of employment opportunities or inability to change occupations. In most instances the social system somehow or other is inappropriately organized.

Some people are caught up in government policies for controlling inflation which put them out of work by increasing the rate of unemployment. Many of these are particularly vulnerable to the vicissitudes of economic conditions, many are marginal employees, the last to be hired and the first to be laid off. During a period of rising unemployment the most insecure are those whose attachment to the labor force is weakest. During such periods, not everyone who wants to work has the opportunity to do so. Marginal employees tend to be those with marginal educational achievements. The "drop outs" of the educational system become occasional labor force dropouts. Social assistance becomes their income source during periods of unemployment.

Even the most comprehensive health prevention and treatment programs cannot insure that all individuals can enter and continue as members of the labor force. Social assistance frequently becomes the last resort program for the mentally retarded, physically disabled and blind persons, and for those who become incapacitated through illness and accidents. No general social security provisions have been developed to insure earned incomes against long-term illnesses; some people become poor as a result.

Aged persons and young children are outside of the economic mainstream. Society has generally agreed that people should retire about age 65. Many female heads of families have the responsibility for caring for young children. Even if they could become employed opportunities are more restricted for them than for men. Because of their children it may be difficult to accept a job. Many of the jobs available to women do not pay enough to cover their work and day care expenses. Many have low skill levels and are unable to earn more than they can obtain from social assistance programs.

Even for those in the labor force regularly, earnings are no assurance of a continuing income or an income sufficient to maintain an acceptable standard of living. Lay-offs in low paying industries are not uncommon when the economy is undergoing a significant slow down. Industrial technology makes it increasingly difficult for persons with low educational achievements to maintain themselves in employment above poverty level wages.

Improvements in their economic position are largely beyond the capacity of poor people to manage by themselves. For many continuing governmental support is necessary and income maintenance programs have been developed to meet some income deficiencies. These are primarily payment programs and the objective is to support people when the education, health or other social services have not enabled them to achieve the ability to sustain themselves. As a preventive measure social assistance is too late because the circumstances causing dependency are already present. Fundamental underlying causes of poverty are not in the income maintenance system but outside it. No one should expect social assistance to eliminate the origins of these difficulties; it does not provide access to earnings opportunities. The major issue in social assistance as an anti-poverty device is the size of the income to be provided.

The fact that hundreds of thousands of people in Canada depend on the social assistance structure for their livelihood does not condemn it as a failure. For many such as the aged, blind and children there is a limited earnings capability. If the needs of such groups are generally adequately met through social assistance then the system meets the objectives for which it was designed.

It is not our social assistance programs which are a "failure"; our social system is not without flaws. If reasonably adequate social assistance payments are more financially rewarding than income from work, perhaps one place to seek poverty remedies is in the private employment sector. Adjustments in employment practices in the private sector may be more effective than work incentives built into the social assistance structure. Self-help mechanisms for individuals through training, increasing labor mobility, improved health care and other social services are also another possibility. Programs to increase job opportunities and levels of employment are among the obvious macro-economic tools to eliminate poverty.

If the most effective basic approaches to poverty prevention lie in the direction of co-ordination of manpower and employment policies between the private and public sectors of the economy why have we not put more emphasis on this approach? Have we as Canadians really committed ourselves to the objective of eliminating poverty or is this a conditional goal; for instance do we regard a stable economy and regulation of inflationary pressures as perhaps an overriding priority?

Transfer payments are used to redistribute income, but there does not seem to be a consensus about what degree of equalization is desirable. Transfer payments are financed primarily through taxation and as the white paper on taxation has recently noted there is now a requirement for tax relief for low income families. Our social assistance and income tax structures seem unco-ordinated.

As a nation we do not seem to have reached a consensus concerning what should be done to improve matters. What are our social goals? What are our priorities? Will we harmonize the tax structure among the three levels of government? Will we co-ordinate the social assistance structure and the tax structure? Have we committed ourselves fully to working toward a more equitable income distribution pattern? How are we going to co-ordinate our priorities among the three levels of government and how are we to reconcile the differences?

Some of the social conflict and discontent around us are reflections of a dissatisfaction with things as they are. A national viewpoint about what we should do to improve matters is still being formulated. A critical examination of our social system and our national expectations seems to be indicated.

D. Poverty Estimates

Our reservations about the statistical techniques and the data from which Canadian income distributions have been derived have already been set out previously. There are many problems in such data, however until it has been improved there is no alternative but to use some of it to indicate the dimensions of the poverty problem. However no detailed planning or preparation of cost estimates for alternative programs can be done with an acceptable degree of reliability until data and techniques are improved.

The number of persons who are poor may vary considerably from the estimate below.

TABLE 4
POVERTY ESTIMATES
ONTARIO
1969

	No. Units in Poverty	% of all Units in Poverty	No. Persons in Poverty	% of Persons in Poverty
Unattached individuals	185,750	33.2	185,750	18.0
2 person families	84,270	15.5	168,540	16.3
3 person families	39,920	10.7	119,760	11.6
4 person families	41,840	11.1	167,360	16.2
5 person families	32,700	13.9	163,500	15.8
6+ person families	36,960	15.8	228,720	22.1
	421,440	n.a.	1,033,630	100.0

Source: Ontario Department of Treasury and Economics. (See Tables 1 and 5)

This estimate indicates about one third of all unattached individuals and about 13 per cent of all family units live in poverty. Most of the unattached individuals are under 24 or over 65; they include many students and retired persons. The distribution by family unit size indicates that the incidence of poverty is more or less evenly distributed among all family unit sizes. Therefore policies directed toward relief of poverty should not concentrate exclusively on the larger family units.

The estimated distribution of all families and individuals by income level in Ontario is indicated in Table 5.

E. Organization of Department of Social and Family Services

The major activities of the Department of Social and Family Services are administration of income maintenance programs and provision of social service programs. Details on these programs may be found in the following chapters.

The Department is organized in three main divisions and further subdivided into branches. A few branches are outside the divisional structure.

Special Senate Committee

Social Development Services Division

Family Benefits Branch
Municipal Welfare Administration Branch
Homes for the Aged Branch
Vocational Rehabilitation Services Branch
Family Services Branch
Legal Aid Assessment

Children's Services Division

Child Welfare Branch
Children's Institutions Branch
Day Nurseries Branch

Financial and Administrative Services Division

Accounts Branch
Audit Services Branch
Financial Consulting Services Branch
Systems and Procedures Branch
Administrative Services Branch

Other branches

Field Services Branch
Personnel Branch
Training and Staff Development Branch
Planning and Research Branch
Legal Branch
Program Analysis
Medical Advisory Services.
Communication Services Branch

Gross expenditures of the Department for the last ten years are outlined in Table 6.

TABLE 5
ESTIMATED DISTRIBUTION OF FAMILIES AND INDIVIDUALS BY INCOME
ONTARIO, 1969 (REVISED)

Income Group	Unattached Individuals	All Families	2 Person Families	3 Person Families	4 Person Families	5 Person Families	6+ Person Families
less than \$1,000	63,280	27,320	15,720	4,830	3,010	1,650	2,110
1,000 - 1,999	136,080	41,280	27,110	5,940	3,770	1,890	2,570
2,000 - 2,999	55,440	74,270	36,320	14,480	10,550	5,900	7,020
3,000 - 3,999	59,360	85,020	31,980	18,570	15,440	8,960	10,070
4,000 - 4,999	72,800	98,680	29,270	21,540	21,090	12,970	13,810
5,000 - 5,999	52,080	155,670	41,740	33,790	35,030	22,170	22,940
6,000 - 6,999	45,920	192,900	56,380	43,450	42,560	25,230	25,280
7,000 - 9,999	53,760	525,340	157,200	117,350	116,380	68,870	65,540
10,000 +	21,280	559,520	146,360	111,410	128,810	89,200	84,740
Total	560,000	1,760,000	542,080	371,360	376,640	235,840	234,080

Source: Ontario Department of Treasury & Economics
February, 1970

TABLE 6
GROSS EXPENDITURES
DEPARTMENT OF SOCIAL AND FAMILY SERVICES

	Gross Provincial Expenditure	% Increase	Gross Per Capita Expenditure	% Increase
1959 - 60	\$ 68,335,327.23	-	\$ 11.44	-
1960 - 61	76,900,847.72	12.53	12.58	9.96
1961 - 62	85,361,072.56	11.00	13.69	8.82
1962 - 63	92,067,299.14	7.85	14.50	5.91
1963 - 64	101,734,616.18	10.50	15.70	8.27
1964 - 65	114,928,532.99	12.96	17.33	10.38
1965 - 66	132,611,786.50	15.38	19.53	12.69
1966 - 67	143,042,110.56	7.83	20.55	5.22
1967 - 68	198,298,421.39	38.62	27.74	34.98
1968 - 69	242,153,801.25	22.11	33.14	19.46

Source: Public Accounts of the
Province of Ontario
1960 - 1969
D.B.S. Catalogue No. 91 - 201

II. INCOME MAINTENANCE: PROVINCIAL PROGRAMS

Two major income maintenance programs are available through provincial legislation administered by the Department of Social and Family Services.

Family Benefits is an assistance program which provides allowances on a monthly basis to persons likely to be in need for extensive periods of time.

General Welfare Assistance is for the most part a municipal program providing weekly or monthly cheques to meet shorter term needs.

In addition to direct income maintenance through allowances, recipients in both programs receive free hospital and medical care; Family Benefits recipients are covered by insurance arrangements while municipalities may choose either to insure their clients for hospital benefits or to pay actual per diem rates. Families with dependent children are covered for dental care under Family Benefits. A few municipalities have similar arrangements for their clients and others provide dental care on a selective basis. In addition a person receiving Old Age Security may qualify for free medical and hospital insurance under the provincial Family Benefits program; either a needs test or an income test may be applied to determine eligibility.

The principal provisions of both programs are outlined in detail below. These programs in effect provide a guaranteed income for persons who are outside the labor force.

A. General Welfare Assistance

This legislation was originally enacted in the 1950's to enable the Province to enter into agreements with the federal government under the Unemployment Assistance Act (Canada): it has been amended a number of times and is now the instrument for cost-sharing under the Canada Assistance Plan (as well as for a number of residual cases remaining under the previous sharing arrangements). In the late 1950's the concept of needs testing in providing social assistance to unemployed persons in Ontario was introduced. In 1963 the legislation was amended so that the province itself could provide assistance to eligible persons, where formerly only municipalities and Indian bands had done this. Subsequent changes moved some municipal recipients to the provincial level. For example, widows and unmarried women aged sixty years and over, previously a municipal responsibility were transferred to the province in 1963.

Municipalities and Indian bands provide assistance to eligible persons who are in need within their jurisdictions. In unorganized areas where there are no municipalities, the Department of Social and Family Services is directly responsible. Provision has been made for municipalities to join together into a county or district unit for the purpose of administering General Welfare Assistance over larger geographical areas. There are now more than 900 municipalities in Ontario; of these about 480 administer assistance locally themselves; there are 19 county and district units covering 425 municipalities. It is our policy to encourage the formation of county and district units; the final decision, however, is left with the local governments. Forty-seven Indian bands have requested and secured approval to administer assistance.

General Welfare Assistance has three components.

(1) General Assistance - This is an allowance paid to maintain and assist people with their ordinary living expenses. It includes a pre-added budget for food, clothing and personal requirements determined according to a schedule which varies with family size and ages of children. Shelter

amounts are based on actual expenditures, subject to an overall maximum. If premises are unheated an allowance is provided for fuel. In addition, utilities and household supplies are included up to a maximum.

The amount of allowance is the difference between the budgetary requirements and the amount to be applied as income. Allowances vary with the needs of the individual or family. The administrator exercises some discretion in determining the actual amount paid.

Allowances for a person in a hostel are handled somewhat differently; the budgetary need is the cost of providing meals and sleeping accommodation. Budgetary needs for residents of nursing homes are fixed at \$10.50 a day. Foster children's needs are also flat amounts.

(2) Special Assistance - This is paid at the discretion of the local welfare administrator. It may be provided to recipients of General Assistance and to other persons in need; it includes items not covered by General Assistance such as drugs, dental and optical services, prosthetic appliances, travel and transportation, vocational training, comfort allowances, funerals and burials or, at the discretion of the Department, it may be used to augment general assistance where budgeted amounts are insufficient (for instance, for shelter). Payments are based on actual costs: amounts are generally determined at the discretion of the local administrator.

(3) Supplementary Aid - Benefits are available to recipients of Old Age Security or Family Benefits to help meet the cost of shelter or "extraordinary needs". The maximum amount available is \$20 per month: this class of assistance is also discretionary.

In order to qualify for General Assistance, a person must be deemed to be in financial need and must, in addition, be in one of the following groups:

- (1) An unemployed employable person who is unable to obtain regular employment, but who satisfies the local welfare administrator that he is willing to undertake full time regular employment for which he is capable, and is making efforts to secure employment.
- (2) A person who has lost the principal family provider (for example, a woman who is head of a family).
- (3) A disabled person who is unable to engage in remunerative employment by reason of physical or mental disability.
- (4) An aged person (no age limits defined).
- (5) A resident of a nursing home.
- (6) A resident of a hostel operated by a municipality or under agreement with a municipality for the care of needy persons who are homeless or transient.
- (7) A foster mother on behalf of a foster child.

There are also other factors affecting eligibility. For instance, a person taking post-secondary education is not eligible for assistance. There is, however, an important exception: eligible women who are heads of families may receive assistance while continuing their education at any level.

Restrictions on employment and the supplementing of earnings apply to the first group only, that is, to unemployed employable persons. In order to be eligible for assistance under the Act an employable person cannot be engaged in remunerative employment at the time he makes application for assistance. However, there is no administrative definition of "remunerative employment"; as this pertains to conditions of eligibility it may be

determined locally. Similarly, the definition of "regular full time employment" is a matter for the local welfare administrator to determine. Patterns vary according to the discretion exercised by local administrators.

For the remaining groups, no work limitations are imposed. Female heads of families who earn less in full time regular employment than they could receive from public assistance are entitled to wage supplements, provided they are otherwise eligible. Similarly the other groups listed are not subject to work restrictions. (Many of these are, of course, unlikely to be able to find employment.)

Recently an earnings exemption was introduced so that all recipients and their spouses may retain part of their earnings and not have dollar for dollar deductions from their social assistance allowances; this is at the discretion of the local administrator. A more detailed explanation of how this will be applied is found on page 18. Previously deductions from gross income were permitted to cover the costs incurred in earning the wages, salaries and other income.

To qualify for Special Assistance a person must be in need: the same general restrictive clauses are applied as for General Assistance.

To be eligible for Supplementary Aid a person must be in receipt of a governmental benefit. This is defined to include persons receiving a pension under Old Age Security, assistance under Family Benefits and its predecessor Acts, a maintenance allowance under The Vocational Rehabilitation Services Act, and assistance under certain other residual categories.

Upon application for General Assistance or Special Assistance an applicant's liquid assets are examined to determine what resources he has to support himself. Liquid assets include "cash, bonds, debentures, stocks, the beneficial interest in assets held in trust and available to be used for maintenance, and any other assets that can readily be converted into cash". Each municipality determines how it will treat assets: no exemptions are set out in the legislation.

Budgetary requirements, or "needs", cover the basic weekly or monthly living costs of the applicant. In addition to amounts for food, clothing, utilities, household supplies, personal requirements, shelter and fuel, the basic allowance may be increased for special diets. The allowance is subject to an overriding maximum which varies with family size.

There is considerably more latitude in the budgetary requirements for Special Assistance. In particular, 20 per cent of the budgetary requirements is included as an additional item to cover contingencies. Actual costs may be included in the budget for items of Special Assistance at the discretion of the local welfare administrator.¹

For General Assistance the allowance is determined, after taking liquid assets into account, by totalling budgetary requirements and deducting income. In general, all income is taken into consideration, but there are some mandatory exemptions including Family and Youth Allowances. There are also the permissive exemptions for part-time earnings. Where income is obtained from providing a service, such as board and lodging, a percentage is applied to arrive at the net income figure.

No needs test for Supplementary Aid is required in the legislation. Any recipient of a "governmental benefit" is eligible.

1. Except for funerals and burials, and the comfort allowance, for which stated amounts are set out in the regulations.

B. Family Benefits

This part of our income maintenance program is relatively new in its present form, having been enacted in 1966 to implement the Canada Assistance Plan. It replaced former categorical programs for the aged, widowed, blind and disabled and allowances for mothers and permanently unemployable fathers. Both of the latter programs had been based on a needs test for a number of years prior to the introduction of the Canada Assistance Plan. Assistance to meet long term needs has been historically one of our priority areas. Mothers' allowances were introduced as early as 1920 and in 1952 the Province of Ontario introduced the first legislation in Canada designed to provide a special program for disabled persons: this became a shared-cost program with the federal government in 1954.

Family Benefits provides for allowances to help people meet their basic needs for food, clothing, shelter and other requirements as indicated above for General Assistance. Although the allowance structure is slightly different, for the most part eligible persons in like circumstances receive the same amounts under both programs.

Family Benefits allowances are provided monthly by the Department of Social and Family Services directly to persons in need. There are 19 field offices throughout the Province; about 400 persons are in the field, two-thirds of whom are direct service staff. Some counselling is provided by field workers. However, this is limited to such problem areas as budgeting and housing: professional counselling is available from other branches. Determination of eligibility is handled centrally in Toronto where applications for assistance are reviewed and checked.

The net allowance is calculated as for General Assistance, i.e. budgetary requirements less income. There are some fixed amounts in this program for special circumstances such as foster mothers. Allowances for residents in Homes for the Aged, Charitable Institutions, Nursing Homes and Homes for Retarded Persons are paid on a per diem basis up to a fixed monthly rate. In addition, these persons receive \$15 per month as a comfort allowance for their personal spending.

Recipients of Family Benefits are persons who are likely to require social assistance for some time, i.e. the blind, disabled, aged and sole support mothers with dependent children. They must be in financial need and in one of the following groups:

- (1) A person 65 years of age or over who is not receiving Old Age Security.
- (2) The wife of a man who is receiving Old Age Security, providing she is at least 60 years old and is not eligible in her own right.
- (3) A woman who is between ages 60 and 65 who is living as a single woman (e.g., a widow, an unmarried woman, a woman whose husband is in prison).
- (4) A disabled person who is at least 18 years old and is blind or has an impairment which causes him to be severely limited in activities pertaining to normal living.
- (5) A mother with a dependent child or children:
 - who is a widow;
 - whose husband has deserted her for three months or more;
 - whose husband is in a prison, hospital or similar institution;
 - who is divorced and has not remarried;
 - who is an unmarried woman.

- (6) A dependent father with a dependent child or children.
- (7) A foster mother with a foster child.

The procedure for establishing need for Family Benefits is the same as for General Assistance. Liquid assets are examined and then if these have a value below certain limits, need is determined by totalling budgetary requirements and deducting income. The difference is the amount of the allowance. The definition of liquid assets is almost the same as for General Assistance. There are, however, basic exemptions of assets. For a single person the exemption is \$1,000; for families the exemption varies according to the number of family members.

Budgetary requirements cover normal living costs and are set out in schedules. There are a few additional provisions under Family Benefits which are not available under General Assistance because of the particular problems of the recipients. For example, where the recipient is blind or disabled and confined to a wheelchair, a transportation allowance of \$30 is provided so that he may travel about the community. An overall allowance maximum varies with family size.

The calculation of income is comparable to that for General Assistance. Family and Youth Allowances are not included as income. Earnings exemptions are mandatory in Family Benefits; they are discretionary in General Assistance. Gross earnings are subject to exemptions so that recipients do not have a dollar deducted from their allowance for every dollar they earn. There is a basic exemption of \$24 for the first adult plus an additional \$12 for each dependent. This is deducted from gross earnings. Then 25 per cent of the excess of wages and salaries is exempted to encourage people to work. There is then considerable incentive for persons to supplement their earnings with income from employment. Mothers on Family Benefits are limited to a monthly average of 120 hours of remunerative employment.

In order to illustrate the effect of exemption provisions, they have been applied to representative allowances. The column "earnings beyond which ineligible" indicates the maximum annual earnings which a person could receive before he becomes ineligible for assistance. At this earnings level there would no longer be an allowance paid. Since income tax has to be paid on earnings at these levels, a recipient does not necessarily maximize his total net income when he earns these amounts. For a discussion of the taxation problem see page 46.

TABLE 7

EARNINGS EXEMPTION APPLICATION
TO SOCIAL ASSISTANCE LEVELS

FAMILY UNIT	SOCIAL ASSISTANCE BUDGET	INCOME EXEMPTION	EARNINGS BEYOND WHICH INELIGIBLE
1 person (living alone)	\$1,380	\$288+25%	\$2,126
(disabled)	1,560	288+25%	2,366
2 persons (1 child 0-9)	2,234	432+25%	3,409
(1 child 16+)	2,544	432+25%	3,822
3 persons (2 adults, 1 child 0-9)	2,772	576+25%	4,270
(1 adult, 2 children 16+)	3,024	576+25%	4,606
4 persons (2 adults, 2 children 0-9)	3,156	720+25%	4,926
(1 adult, 3 children 16+)	3,576	720+25%	5,486
5 persons (2 adults, 3 children 0-9)	3,540	864+25%	5,582
(1 adult, 4 children 16+)	4,128	864+25%	6,366

Source of Payments

There are broad arrangements for sharing the costs of social assistance among the three levels of government: federal, provincial, and municipal. Municipalities and Indian bands make the original outlays for the programs which they administer and then recover part of their expenses from the Province. Through the Canada Assistance Plan there is a general cost-sharing agreement between the Province and the federal government. For Indian bands administering social assistance cost-sharing between the senior levels of government is covered by a separate agreement; and the arrangement carries substantially a larger share of federal financing than in the case of the Canada Assistance Plan.

It should be noted that the general arrangements for cost-sharing provide not only for expenditures on behalf of persons receiving social assistance but also for the costs of administering programs in this field.

Characteristics of Recipients

Detailed statistics on certain characteristics of social assistance recipients and their geographic distribution throughout Ontario are included in the Appendix. A few highlights will be noted here.

Family Size - The average family size in Ontario, based on 1961 census data, is 3.8 persons, that is, for persons living in family units. In contrast the average number of persons in families receiving municipal General Assistance is 4.1. There are regional variations within the province. In southwestern Ontario families receiving General Assistance are approximately the same size as, or slightly smaller than, the average for the general population; in eastern Ontario they are about the same; in northern Ontario families receiving General Assistance are larger than the provincial averages.

Families receiving Family Benefits are smaller in size than those in receipt of General Assistance: the provincial average for the program is 3.6 persons. This is to be expected since the Family Benefits program includes many single-parent families. There are also fewer regional variations from the provincial average than in General Welfare Assistance although large families appear to be more common in northern Ontario.

Families and Single Persons - Almost one-quarter of General Assistance cases are single men; and the incidence is higher in metropolitan centres than in other parts of the province. To cite a few examples: the proportion of single males as a percentage of all cases is 35 per cent in Thunder Bay, 32 per cent in Toronto, 28 per cent in Hamilton, 25 per cent in St. Catharines. But there are notable exceptions to the pattern such as London with 15 per cent and Windsor with 11 per cent. About one case in five is a single female.

Male heads of families comprise a higher than average percentage of all cases in eastern and northern Ontario; female heads of families are higher than the provincial average in southwestern Ontario. The statistics in Table 3 demonstrate an expected relationship: there are seasonal fluctuations in the number of male heads of families in receipt of social assistance. The pattern follows closely the quarterly rate of unemployment in the province.

Slightly more than one-third of all Family Benefits cases are families headed by women. Available data do not allow all aged, disabled and chronic care recipients to be separated into single and family units by sex of head. However, we know that one-half of Family Benefits recipients are single persons, 20 per cent live in two-person units, and 30 per cent in units having three or more persons. Many of the two-person units will be a mother and child; some of the larger groupings will be intact families.

Expenditures per Beneficiary - Variations exist among administrative units in the expenditures per beneficiary for General Assistance. Large urban municipalities tend to have the highest levels. Of the 39 municipalities analyzed, the five largest are among the 10 highest ranking in terms of expenditures per beneficiary; the five smallest are among the 10 lowest ranking in expenditures per beneficiary. It appears that administrative units which have higher than average proportions of single males have higher expenditures per beneficiary. For example, the city of Kingston, although relatively small in population, has an expenditure pattern similar to some of the larger cities; it also has a very high proportion of single males. The larger town of Mississauga has a lower level of expenditures per beneficiary and a low proportion of single males.

Among county units of administration population size has little significance in explaining the pattern of expenditures. The larger county units seem to have lower expenditure levels than the smaller ones. For instance, the counties of Wellington and Oxford are smaller than York or Simcoe, yet have higher per beneficiary expenditures. It should be noted that there are many unknown factors which cannot be taken into account. For example, the number of beneficiary days paid for in each administrative unit is not known. In some areas where there is a very high turn over of cases, there may be many beneficiaries who received benefits for only one or two weeks in a month. Averaging caseloads and payments over a month may depress the payments per beneficiary in these units. In other units where recipients are continuously on social assistance for long periods of time, average beneficiary expenditures per month would more closely represent actual amounts received by recipients. Table 3 gives some indication of fluctuations in caseloads. Composition of the caseload by administrative unit is known only in terms of very gross characteristics; recipients have different needs which cannot be extracted from statistics on payments alone. Thus there may be differences due to allowances for fuel, shelter, diets, utilities and other partially discretionary items. There is some evidence from Table 3 that there may be a core of permanently dependent people on General Assistance; the numbers of employable and unemployable heads of families are not known and income from earnings cannot be determined. Also municipalities have considerable latitude in determining eligibility. Intensive study is required to determine more conclusively why payments vary.

In Family Benefits average expenditures per beneficiary fluctuate within a narrower range than is the case for General Assistance. The most significant cause of variations is the shelter component of Family Benefits allowances. Shelter payments are related to actual expenditures and these differ from one place to another across Ontario. Expenditures per beneficiary are higher than for General Assistance. One reason is that payments are always for a full month whereas General Assistance may be paid for a shorter period. When averaged over an entire month General Assistance average expenditures per beneficiary will therefore be lower. There may also be other important factors such as differences in the case composition, differences in the amounts provided for items included in the budgets, etcetera. It should perhaps be noted again that there are more beneficiaries per case in General Assistance than in Family Benefits. Since allowances per beneficiary decrease with each additional person in a case, it follows that Family Benefits expenditures per beneficiary would be somewhat higher on the average.

Case Composition - The Family Benefits caseload is composed as follows:

Aged	18%
Disabled	45%
Mothers	34%
Others	3%

The aged group consists of women between the ages of 60 and 65 and persons over age 65 who are not eligible for an Old Age Security pension. From a previous review of the disabled group, it is known that about one in three is mentally retarded.

Geographical Distribution of Social Assistance Cases - In northern and eastern Ontario a significantly higher proportion of the total assessed population is in receipt of social assistance than in most other parts of the Province. The range of social assistance cases as a percentage of the assessed population in southern Ontario is 1 per cent to 5 per cent; in northern Ontario the range is 4 per cent to 11 per cent (the City of Sudbury and District of Sudbury are 4 per cent, the other units 6 per cent or greater); in eastern Ontario the range is 6 per cent to 9 per cent.

III. INCOME MAINTENANCE : MAJOR CHALLENGES

A. Problems in Provincial Government Income Maintenance Programs

There are two obvious points of difference between the Family Benefits and General Welfare Assistance programs:

Family Benefits is administered directly by the province with field operations handled through 19 regional offices. General Welfare Assistance is administered by municipalities (except in northern Ontario).

The Family Benefits population is comprised of individuals and heads of families whose dependency appears to be long term. General Welfare Assistance covers a mixed group of persons whose needs may be either

immediate and short term; or

immediate and longer term, (more accurately of indeterminate length).

It is simplistic to contrast the two programs in terms of short term versus long term income maintenance populations. Yet the fact that each has been developed to handle one extreme rather than the other has significant implications for the operations of each program.

The two programs will be analyzed separately in the following sections.

Family Benefits

Eligibility determination - The process of determining eligibility has been structured so that initial information gathering is separated from final decision making. The field staff take information from applicants and send completed applications and supporting documents to the Department of Social and Family Services in Toronto where the determination of eligibility is made and the actual amount of allowance is calculated. The system is designed to secure the advantage of consistency through centralized decision making.

There are three broad substantive areas in which persons applying for an allowance under Family Benefits must establish eligibility.

(1) They must be resident in Ontario.

(2) They must come within at least one of the classes of persons eligible for an allowance under the Act. Family Benefits is designed to aid people who are disadvantaged in their capacity to support themselves and their families for reasons such as blindness, physical and mental disability, old age, and family responsibilities in the case of sole support mothers. The criteria in certain categories are necessarily limiting in definition: for instance the three month waiting period for deserted mothers, the five year period of separation for a wife aged 60 to 64, the establishing of 18 years as the minimum age of eligibility for a blind or disabled person.

(3) They must be "persons in need" as that phrase is defined by the financial test incorporated in the program.

Several steps are required to complete the eligibility process. The relevant facts must be established. This includes information on the applicant, on other persons in the family, and on total financial resources.

Certain points must be documented. The Family Benefits regulations require proof of vital statistics including birthdates, deaths, marriages. Further documentary evidence may be required according to the circumstances of the individual case.

Information provided by an applicant is normally verified by a field worker. Since the financial test under Family Benefits is a needs test, this means investigation of both sides of the financial equation.

All these procedures need not be completed prior to the establishing of eligibility. In fact there has been a trend in recent years toward permitting greater latitude in this area. There may however be difficulties for a few applicants: it is possible that an application may fail on a technical point of eligibility.

Needs Test - The Family Benefits program operates on the basis of a needs test which requires intensive investigation of financial resources. The test is efficient in ensuring that assistance is directed only to those who need it; but the procedures of detailed financial investigation raise certain problems. One common viewpoint is given characteristic expression in this comment by Dr. James Cutt: "In many respects the most disagreeable aspect of traditional income maintenance measures has been the . . . comprehensive examination of the individual means and resources of each applicant as the basis of financial assistance."¹ It should be noted, however, that there is a paucity of studies on the attitudes of recipients themselves. A recent American study on recipients of Aid to Families with Dependent Children - a program which is wide ranging in its investigatory powers - indicated that over 80 per cent of the recipients did not mind, or minded very little, the process of investigating their financial resources.² It is our intention to explore this dimension of needs testing in an attitudes survey of "mothers" on Family Benefits in Metro Toronto scheduled for later in 1970.

There is some evidence to indicate that the most controversial areas of resource testing are those intimately involving the personal lives of recipients. Approximately one-third of the Family Benefits population consists of mothers with dependent children. In cases in which there is a husband or father living, one aspect of needs testing is to determine whether aid is available from this source. For deserted wives and unwed mothers this may involve recourse to procedures under legislation designated to elicit financial support. The criticism is that such procedures may intrude on the privacy and dignity of the individual. There are similar problems in investigatory procedures to determine whether women are living as "single persons".

It is relevant to observe that there are conflicting currents of public opinion in this area which create a dilemma for public policy. There is a social belief embodied in law, that a husband or father is responsible for the support of his dependents according to his financial resources and that a man living in a household as a husband should contribute to the support of that household. The policy implication is that this resource must be explored, and procedures to this end are necessary to legitimate the costs of public assistance to a certain section of the voting and tax-paying public. A differing point of view, frequently voiced by civil rights workers and professional social workers, emphasizes the rights and dignity of the individual recipient. There is a third point of view implicit in the acceptance among a segment of the public, of the concept of the guaranteed annual income. Its operative procedures could by-pass both the categorical approach to public assistance and the exploring of potential resources as a condition of eligibility. At present needs tested income maintenance programs, inspite of certain inherent advantages, occupy a controversial position.

The Family Benefits program covers a variety of people in differing circumstances; the basic allowance provides the essentials common to all categories. There are additional items for certain recipients: special diets, a travel allowance for the blind and disabled, life insurance premiums where there is a dependent child, house repairs as a discretionary item. But there is no general provision for contingency items, particularly important for some categories of

1. Cutt, James, A Guaranteed Income for Canadians, Toronto: The Ontario Woodsworth Memorial Foundation, 1968. p.11.

2. Handler, Joel E. and Hollingsworth, Ellen Jane, How Obnoxious is the "Obnoxious Means Test"? The Views of A F D C Recipients. Madison: Institute for Research on Poverty, 1969.

recipients. The local municipality retains a residual responsibility for those of its residents who are recipients of Family Benefits. Application can be made to the municipality for supplementary aid (to a maximum of \$20 shareable with the province) or special assistance (for certain items only); but any assistance which the municipality gives is entirely at its option. Structurally the General Welfare Assistance program is well adapted for providing aid efficiently and rapidly, often the essence of emergency assistance, but there are additional costs, administrative problems and sometimes hardships for applicants in screening through two programs.

There is an unresolved problem in the area of providing contingency aid. It is not a problem which is unique to Family Benefits. It applies to other income maintenance programs such as Old Age Security from which recourse must also be made to the municipality when additional assistance is required. And it is a problem which may be projected into the future in the event that some form of guaranteed income is implemented. From the studies we have made of guaranteed annual income plans it is evident they cannot entirely replace needs tested income maintenance programs.

Needs testing involves a continuing process of assessing eligibility and adjusting allowances to changing circumstances. When circumstances on either side of the needs equation change, they are likely to affect either entitlement to allowance or the amount of the allowance under Family Benefits. For some individuals and for some categories of recipients there may be few changes over a relatively long period of time. But for others there may be frequent changes, for instance, income can change from month to month when part time earnings or rental of rooms is involved. The Family Benefits allowance is established on a monthly basis. When recipients fail to notify the Department of such changes and a visit from a field worker does not occur for several months, complex calculations are necessary to make the requisite changes in allowances. Where an overpayment has been made by the Department, arrears are usually recovered by reducing the allowance for a period of time, with the exceptions noted below.

Recent changes in the regulations make it possible to average income over a period of months in several instances. For blind and disabled cases income from work may be averaged over a period up to six months. Some forms of income are likely to be irregular and payments may apply retroactively, among them, various pension and insurance benefits and payments from husbands and fathers. It is now possible for such income to be averaged over the number of months to which they apply.

Adjusting allowances according to the basic concept of a needs test is a highly complex and detailed procedure. Simplification in this area is a desirable goal.

General Welfare Assistance

The General Welfare Assistance program is administered by municipalities in southern Ontario and by the Province in northern areas without municipal organization. The Act and regulations set out provincial standards which are applied by the municipalities. General Welfare Assistance is a highly decentralized system in contrast to Family Benefits which maintains regional offices for purposes of administration but with decision making centralized at the provincial level.

It should be noted that General Welfare Assistance is an outgrowth of the original municipal responsibility for the care of the local poor. The province has gradually extended its interest in this field through subsidization of municipal costs and the establishment of basic standards. It is apparent that a system in which responsibility was exclusively municipal would result in wide discrepancies in the standards of social assistance. In contrast a provincially administered system would face serious problems of inter-regional economic disparities noted in the next section. The present program occupies a

middle position with the province asserting a broad interest in the standards maintained by the municipalities but leaving them flexibility to adapt the system, within bounds, to local needs. The precise point at which the two are in balance is a matter of opinion.³

Eligibility - "Persons in need" according to the financial requirements of the program are only eligible where the causes of need are "inability to obtain regular employment, lack of the principal family provider, disability or old age". The criteria exclude most of the working poor for reasons which are fully analyzed in a later section of our brief.⁴ There is, however, an additional problem area. Centralization as in Family Benefits leads to consistency in decisions about eligibility. Decentralization is likely to result in differing applications by municipalities of the eligibility provisions written into the provincial program. When categories are broadly stated ("disability") or where they are problematic ("inability to obtain regular employment"), municipal interpretations may differ. Sometimes there are locally and provincially contentious issues about entitlement to support. The size of the municipality and its resource base, the amount of the welfare budget, the ability of the local staff to cope scientifically and sympathetically with complex situations, these factors and others influence municipal decisions on the provision of general assistance to certain applicants as well as on other aspects of the program.

Variations in entitlement are significant for optional forms of assistance. Special assistance is available for certain important items including non-insurable health expenses such as optical and dental services for "persons in need" as defined by the regulations. But, like supplementary aid for recipients of Old Age Security and Family Benefits, special assistance is provided at the discretion of the municipality. Eligible applicants may be refused despite demonstrable need.

Definition of need - Economic differences among municipalities also affect the definition of "needs". The level of allowance is a particular problem since the General Welfare Assistance program provides for unemployed but employable persons: the relationship between their standards of living on social assistance and the community standard of living, particularly of their peers who are employed, is inevitably a source of concern to the municipality. The General Welfare Assistance program recognizes inter-municipal differences by having the pre-added budget which is identical across the province include only these items: food, clothing and personal requirements. For utilities and household supplies the local welfare administrator has the option of determining an amount up to a maximum. The shelter allowance based on actual expenditures also reflects differential costs of living between areas (although it does not reflect the whole range because of the application of a shelter maximum).

There is a degree of flexibility built into the program so that allowances can be adjusted according to local economic conditions. It should be noted however that in the absence, *inter alia*, of community budgetary studies there is no precise indication of what the relevant economic differentials are between communities and it is not clear how accurately these are reflected in the levels of general assistance established by the municipalities.

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3. On the alternatives of provincial or municipal administration of public assistance the Ontario Committee on Taxation has commented: "That the local government, as the level of jurisdiction closest to home, is peculiarly well suited to the dispensation of welfare services constitutes one of the time-honored canons of public administration. Indeed, so hallowed is the canon that it might better be called a cliché. But like most clichés, it is backed by a strong element of truth whose simplicity is startling. Welfare services must start and finish with a personal confrontation between the applicant and a representative of the appropriate welfare service in the community".

Report. The Ontario Committee on Taxation, Toronto: Queen's Printer, 1967, Vol. 2, p. 424.

4. See p. 39 and ff.

Regional disparities have created problems for the federal government in incorporating standards in the programs it administers nationally. Within a province as large and diversified as Ontario there are somewhat comparable problems in defining needs in relation to community standards. This is one of the major problems of needs tested income maintenance programs, particularly those providing assistance to employable recipients.

Administration - It appears evident that with 500 municipal governments administering General Welfare Assistance there will be significant differences in the administrative standards and in the somewhat intangible dimension of styles of welfare administration. The provincial Act and regulations set out the framework within which the municipalities must operate. Many administrative details are decided at the local level. In addition to the statutory application and other forms distributed by the province, municipalities may devise their own forms for use in administering the program locally and investigatory procedures may be tailored to local standards. (The problems inherent in the investigatory process outlined in connection with Family Benefits are compounded at the local level and most of the criticisms of infringement of privacy and individual rights are directed at municipal practices designed to detect fraud.)

Municipalities which vary in size from small villages to large cities such as Metropolitan Toronto obviously have differing resources with which to operate a public assistance program. It is not necessary to generalize about the optimum size of an administrative unit in this field in order to suggest that there is a size below which it is not feasible to develop such resources as full time personnel. Hence the Province has encouraged the formation of county units and district welfare administration boards which have replaced the individual administration of General Welfare Assistance by almost one half of the municipalities in Ontario. There are at present 23 multi-municipal units administering public assistance, including Metropolitan Toronto and two regional governments.

The creation of consolidated units does not automatically obviate the problems which can arise in a decentralized system of administration. It does however provide a basis for higher standards of professionalism in the administration of the program.

Assets - The legislation is silent about the treatment of nonliquid assets and there are no requirements setting out exemptions of liquid assets. Assets readily convertible into cash are to be used for maintenance. Given the goal of preventing a state of prolonged dependence on social assistance, it may be desirable to exempt some resources for short term recipients so that they have both the opportunity and possibly the incentive to regain their independence. Exemptions of assets have been incorporated in long term programs of social assistance such as Family Benefits. There are greater difficulties in extending the principle to General Welfare Assistance. It is none the less an area for study in relation to the emerging concept of rehabilitation as one of the goals of social assistance programs.

Linkage between Family Benefits and General Welfare Assistance programs - The two provincial income maintenance programs are closely related. Many recipients pass from one program to the other. Thus Family Benefits recipients may receive General Assistance

- (1) prior to establishing eligibility for Family Benefits;
- (2) in case of a suspension from Family Benefits for some reason;
- (3) when eligibility for Family Benefits no longer exists, most frequently in the case of a "mother" whose family is grown.

In a random sample drawn from mothers receiving Family Benefits in Metropolitan Toronto over 80 per cent had transferred to the provincial program from General Welfare Assistance. Transfers sometimes create problems because the conditions of eligibility are not identical in the two programs. There are for instance asset exemptions in Family Benefits but not in General Assistance and thus some people may be disadvantaged in the process of transferring from one program to another.

When Family Benefits recipients become ineligible for the program they may at some time have to apply for General Assistance. Suspensions and cancellations may occur for a variety of reasons including excess financial resources, infraction of regulations, full-time employment. In some cases this may mean that a recipient has become financially independent. In other circumstances it may result in an application to a municipality for General Assistance. The cancellation or suspension of a Family Benefits Allowance may be a serious matter; its consequences are mitigated by the existence of the General Welfare Assistance program as a court of last resort.

The flow of people between the two programs has not yet been precisely documented. The interrelationship cannot be adequately understood until more detailed statistical information is available on both programs. This is an area in which analysis is required so that an adequate profile of individuals and families in receipt of provincial income maintenance can be obtained. It is the intention of the Department to carry out a study of General Welfare Assistance and Family Benefits with this objective in view. In future additional data may be provided through the use of surveys to supplement the information systems of the Department.

Information and Communication - The provision of information about social assistance programs is a question which has several dimensions. There is the problem of providing detailed information about specific aspects of a program where the legislation is silent. In both Family Benefits and General Welfare Assistance the pre-added budget set out in the regulations is not broken down into its component allowances. The technique of using a pre-added budget which incorporates several items adjusted for families of varying size and age composition is administratively efficient and reduces the number of questions which applicants must answer in order to establish their needs. It is not possible for recipients to know how this part of their basic allowance is made up.

The question of providing detailed information should be set in the broader perspective of "the right to know". To what extent should information be widely available on social assistance programs? The salient point concerns the provision of information in readily accessible form to those most directly concerned, the recipients of social assistance. Information is supplied in response to individual enquiries and brief descriptions of programs are available. But at a time when recipients are becoming actively interested in knowing the full details of programs and their legal entitlement to benefits, more systematic approaches may be appropriate.

Needs tested income maintenance programs are complex and not easily explained. Some recipients are disadvantaged in their ability to comprehend. Despite these problems, the provision of information is an important area for development in both Family Benefits and General Welfare Assistance programs. The Department plans to introduce handbooks which will provide basic information to interested persons.

Information, moreover, has a larger dimension than merely providing recipients with details about the operation of a specific program. The emerging role of departmental field staff emphasizes the concept of providing services to clients. This includes informing clients about services available through other agencies and programs, in short, attempting to link programs through the medium of communication with clients.

It is also important that there be a feedback of information from clients about programs. The Department believes that communication is a two-way street.

B. Problems in Federal Government Income Maintenance Programs

There are a number of federal government income maintenance programs operating in Ontario. The three most important programs are: Family and Youth Allowances, Old Age Security and the Guaranteed Income Supplement and Unemployment Insurance. Ontario social assistance programs for the most part are cost-shared through the Canada Assistance Plan which requires a needs test approach incorporating both income and resources. Although needs testing is unappealing to some people it has two major advantages. It ensures that payments are restricted to those whose income and other resources are insufficient to sustain them and as payments are related to needs it ensures that individual needs (as defined by the legislation) are met.

In contrast, none of the three major federal government programs involves a needs test. Family and Youth Allowances and the basic Old Age Security program are categorical demogrants and are distributed without regard to the needs of the recipient. The Guaranteed Income Supplement is income tested and Unemployment Insurance is earnings related. The present mixed approach of these three programs produces two conflicting and undesirable results. Either scarce funds are distributed to individuals who do not need them and/or the benefits do not meet the needs of the recipient.

The Family and Youth Allowances Program

The Family and Youth Allowances program (including the related Family Assistance Program) affects over 1,000,000 Ontario families. Family Allowances are available to every child under 16 years of age who was born in Canada or who has resided here for one year. Payments are \$6 per month for each child under age 10 and \$8 for each child over 10 years of age but under 16 years. A virtually identical program known as Family Assistance offers the same benefits to children under 16 years of age who have not resided in Canada for one year and is intended to bridge the gap until the child is eligible for Family Allowances. The Youth Allowances program is a somewhat more restrictive demogrant which provides a monthly payment of \$10 per month (except in Quebec) to all dependent children age 16 and 17 who are either full time students or precluded from full time educational training by reason of physical or mental infirmity.

The three programs are similar and are collectively referred to as Family Allowances in this section except as otherwise noted. While there are some minor restrictions, the Family Allowance program is a categorical demogrant, subject to neither income nor resource testing and is distributed to all eligible families regardless of their need. It might be said that the system is needs oriented as the payments increase with the size of the family and the age of the children. However, as the same payments are made to identical families regardless of their income, i.e., whether they are well below the poverty line or in an 80 per cent marginal tax bracket, the needs orientation is somewhat questionable.

Family Allowances like all demogrant systems, have certain advantages. As all eligible families are entitled to allowances regardless of their needs the program does not distinguish between the poor and the non-poor and allowances are not viewed as welfare payments.⁵ Administration is simple and inexpensive. The major disadvantage of any demogrant system is that payments are made to all eligible families regardless of their need. As poor families are in the minority most funds are paid to the non-poor and considerable "leakage" occurs. Payments to the non-poor divert scarce resources from those who need them and reduce the redistributive effect.

The Department of National Health and Welfare has stated that the program was originally intended to provide for a redistribution of income in favour of low income families and low income regions of the country and noted that the objectives of the program are still being met, but to a much lesser extent than earlier as family allowances have not kept pace with the growth in national

5. In contrast, social assistance payments are viewed as welfare by some persons although they are provided as a right under the Canada Assistance Plan.

income and the purchasing power of Canadian families.⁶

Although the effect has diminished over time the program is undoubtedly redistributive. Family Allowances redistribute income vertically to low income families with children (including families receiving social assistance). Funds are taxed from single persons and childless couples and transferred to families with children. Horizontal redistribution occurs as funds from Ontario and some other provinces are transferred to less affluent regions. However the point is not one of whether income redistribution takes place, but rather:

How much income redistribution takes place, and

Whether the amount of income redistribution is acceptable in terms of the cost of the program.

The Department of Social and Family Services is not aware of any up-to-date study on the present redistributive effect of the Family Allowance program. A number of studies have been published in the past. However they have been carried out at different times and some of their conclusions are not totally compatible. It has been noted that "the amount of income redistribution between income groups, family types and geographical regions is much smaller than the amount of money turned over in the program would suggest."⁷

While the precise amount of redistribution is unknown it is relatively simple to determine the approximate proportion of Family Allowance payments which are made to non-poor families. The estimates in Table 4 (see page 10) indicate that approximately 13.4 per cent of Ontario families have incomes below the poverty line. The estimates are gross calculations and do not distinguish between families who are receiving Family Allowances and those which are either composed of adults or have no eligible children. Despite this shortcoming they can be used to illustrate the magnitude of payments to the non-poor, or "leakage" in the Family Allowance program.

If it is assumed that the incidence of poverty among families receiving the Family Allowance approximates the incidence among all Ontario families, then approximately 87 per cent of Ontario families who receive the allowances are above the poverty line. Even if it is assumed that the incidence of families receiving the allowances is understated by as much as 50 per cent then approximately 80 per cent of families receiving the allowance would be non-poor. Conversely if it is assumed that the incidence among eligible families below the poverty line is lower due to the disproportionate percentage of two person families in the poverty group then the leakage estimate would have to be something in excess of 87 per cent.

It might be argued that the percentage of total payments is less than the percentage of families who are above the poverty line as the "poor have more children." However the estimates would indicate that while the incidence of poverty tends to increase with family unit size the number of non-poor families is consistently far in excess of those below the poverty line regardless of family unit size and therefore this factor would not have a significant effect.

In any case it matters little whether the amount of leakage is 80 per cent or 87 per cent. The key question concerns the magnitude of leakage in terms of the cost of the system. The Department of National Health and Welfare Annual Statistical Report for 1968-69 contains annual expenditure data for the entire Family Allowance program. Total expenditures for Family and Youth Allowances and Family Assistance in 1968-69 were approximately \$616 million of which \$216 million went to Ontario families. If an 80 per cent "leakage" rate is assumed then only \$43 million was paid to poor families whereas \$173 million was paid to families who were above the poverty line, in Ontario. This would mean that for every 100 dollars in Family Allowances

6. A Review of the Role of the Department of National Health and Welfare in Relation to Poverty, Ottawa: February 1970, p. 31.

7. Deutsch, Antal, Income Redistribution through Canadian Federal Allowances and Old Age Benefits, Toronto: Canadian Tax Foundation, 1968, p. 47.

payments only 20 dollars went to a family below the poverty line.

The problem is compounded by the income tax system. The leakage would be reduced but by no means eliminated if some of the funds were taxed back; but Family Allowances are not subject to taxation. Until recently the income tax system created a very minor redistributive effect by allowing a \$550 deduction for children who were not eligible and restricting the deduction for eligible children to \$300. As the reduced deduction was compulsory regardless of whether or not the family received the allowance, taxpayers at higher marginal rates received less in allowances than the value of the lost portion of the deduction. This particular provision was (and still is) cited to illustrate the redistributive nature of the program by exponents of the Family Allowance system. Its re-distributive effect was extremely limited. However the Income Tax Act has been amended and the relationship between the amount of the deduction for dependent children and eligibility for Family Allowances has been eliminated. Deductions for dependent children are set at \$300 for a child under age 16 and \$550 for a child over 16, regardless of whether or not the child is eligible for, or in receipt of Family Allowances.

The question is then not whether the program has a redistributive effect but rather whether the cost of the program is reasonable in relation to its relative efficiency and the magnitude of the poverty problem. Is it either reasonable or efficient to continue a demogrant program when even cautious estimates indicate that at least 80 per cent of its payments in Ontario go to the non-poor? It could be argued that Family Allowances benefit all children and hence the cost is not unreasonable. However the major aim of the program as stated by the Department of National Health and Welfare was to "provide for a redistribution of income in favor of low income families and low income regions of the country." The program still has some redistributive effect, but the effect is not high enough and the cost is too great in relation to benefits received by the poor. Furthermore scarce tax dollars are directed to families who do not need them while the needs of low income families are not met.

The Department of Social and Family Services is aware that recommendations have been made to the Federal Government concerning the Family Allowance system. Basically these proposals recommend increases in Family Allowance payments offset by taxation of these payments. The basic argument can be paraphrased as follows: doubling Family Allowances would benefit the poor and particularly the working poor whereas much of the cost would be recovered by taxation.

The Department is in accord with the intent of these recommendations and agrees that increased Family Allowances would benefit the poor. However the degree of leakage would still be excessive even if the allowances were made subject to either the existing or proposed income tax system. The point can be readily illustrated through the use of gross data. (See Table 8)

Table 8 has been deliberately weighted in favor of the proposal. It is based on two unrealistic assumptions. It assumes that the average rate of recovery from the non-poor would be 30 per cent of the allowances, which is unlikely. It assumes that none of the payments to the poor will be recovered.

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8. The present tax system applies a 30 per cent marginal rate on taxable income between \$8,000 and \$10,000. If one allows for personal exemptions this would mean that three, four and five person families would have to have gross incomes in excess of \$10,400, \$10,700 and \$11,000 in order to pay that rate. The 1967 Preliminary Estimates of Income Distribution and Poverty in Canada indicate that approximately 25 per cent of three, four and five person families had gross family incomes in excess of \$10,000. Tax returns are made on an individual basis whereas gross family income may represent the total income of two or more family members. While incomes have risen since 1967 it is very unlikely that 30 per cent of payments to the non-poor would be recovered through the tax system.

TABLE 8
COMPARATIVE COSTS
EXISTING AND DOUBLED FAMILY ALLOWANCE PROGRAMS
(Millions of dollars)

	Gross Cost	Gross Payments to Non Poor(a)	Recovery Through Tax System(b)	Net Payment to Non Poor	Payments to Poor Families	Net Cost of Program	Leakage Rate	Increase in Payments to Non Poor	Increase in Payments to Poor	Total Net Increase in Cost	Percentage of Increased Cost Paid to Poor Families
Current (non-taxable) Family Allowance Program	616	493	0	493	123	616	80%	-	-		
Proposed "Doubled" Taxable Family Allowance Program	1232	986	296	690	246	936	73.7%	197	123	320	38.4

(a) Eighty per cent of payments are assumed to go to families above the poverty line.

(b) It is assumed that 30 per cent of payments to the non poor will be recovered but all payments to poor families will be retained.

Actually one of the effects of the proposal is that a large segment of the working poor would pay taxes on their allowances whereas social assistance recipients would receive the full benefit.

The Table indicates that even with taxation of the doubled allowance, leakage would still amount to approximately 73 per cent of payments. Although net costs would increase by \$320 million, only \$123 million, or 38 per cent of the new expenditure, would go to poor families. The greatest part of the funds would still go to the non-poor and leakage would increase to a total of \$690 million. The fundamental inefficiencies of the demogrant approach cannot be offset by merely making Family Allowances taxable.

The demogrant approach cannot be justified either in terms of the cost of the program or in the light of the needs of the working poor. Advocates of demogrant systems justify the approach on the grounds of administrative simplicity and the acceptability of the universal payments. Neither argument is unavailable.

Administrative simplicity undoubtedly facilitates economy and efficiency. These are managerial criteria intended to ensure that the objectives of any specific program are met. One major objective of the Family Allowances system is to redistribute funds to low income families. The economic advantages which accrue from the administrative simplicity of the program are insignificant in comparison with the dollars lost through leakage of scarce resources.

There are two main arguments in favor of universal Family Allowances.

Universal payments appear to meet the test of public acceptability.

Since payments are made to all families the poor are not set apart from the affluent and there is no stigma attached to receipt of the allowance.

Universal payments are, in the common wisdom, synonymous with public acceptability. The question is whether they are acceptable simply because they are universal. Old Age Security and Family Allowances are paid to groups outside the labor force who have traditionally been given first priority in social assistance. The aged and the young are economically vulnerable because they are at stages of dependency in the life cycle. Aid to them does not challenge the work ethic of society. Indeed it has a positive appeal. The young should not be penalized because of family circumstances; the old, it is assumed, have made their contribution to society. The acceptability of the universal demogrants is partially attributable to the special characteristics of the groups receiving them.

It is evident that the principle of universal demogrants is well established in Canada. The belief that "everyone benefits" or at least that benefits are widespread undoubtedly helps to legitimate programs to the voting public. But in recent years there has been increasing criticism of the universalist approach, particularly for Family Allowances. Among the reasons for the shifting viewpoint is the apparently unsatisfactory relationship between the cost and the effectiveness of the program. In this context the argument that selective payments are socially divisive may be losing its relevance.

The argument that demogrants do not separate the poor from the affluent may be illusory. The use of flat rate demogrants limits the amount of expenditure which is paid to each recipient. Any government program is limited in its expenditures and, since demogrants are paid to all eligible persons regardless of need, the payment level must be relatively low. The Family Allowance system is a striking example of this phenomenon. At present monthly payments are \$6 and \$8 for each child, depending upon age. If the program concentrated on the

needs of families below the poverty line payments could be increased to four or five times their existing level. Cost considerations prohibit such high levels of allowances in a classic demogrant approach.

The Committee is vitally concerned with the problem of the working poor, who are primarily low income families with children. Such families receive Family Allowances but their incomes are still inadequate for their needs since the allowances are not sufficient to raise their incomes to the poverty line. If the working poor received supplementation under the Canada Assistance Plan they would have to meet a needs test or, assuming modification is possible, an income test. Needs and income tests separate the haves from the have nots. It is true that the use of a demogrant avoids directly identifying the poor but it is defective because low payments will not satisfy their needs. If they cannot increase their earnings and social assistance is provided they must comply with tests and be identified in the process. If social assistance is not provided their needs are not met and a subsistence standard of living identifies them as poor.

The needs of the poor are real. The leakage in the Family Allowance system cannot be justified in terms of public acceptability, simplicity of administration, or a dubious anonymity.

If the Family Allowance system is retained, it should be converted to a selective system which provides meaningful benefits to the poor and the near-poor. (In this section we have stressed two groups: the poor and the non-poor. In terms of revision in the Family Allowance system the needs of the near poor, those just above the poverty line, should be taken into consideration.) In theory the system could be made selective by either:

Converting the program to an income tested negative rates system somewhat similar to the Guaranteed Income Supplement; or

Creating a highly selective demogrant program through coordination of the Family Allowance and Income Tax systems.

The second alternative differs from recommendations that Family Allowances should be doubled and made taxable. The allowances could be substantially increased and made available to all eligible families regardless of income. The tax system could then be modified either by reducing (or eliminating) deductions for dependent children or by adding a surcharge. The modified program would recover payments from all but the poor and the near poor and create precisely the same effect as an income tested system. Retention of the demogrant approach would have the frequently cited advantages of universality and simplicity of administration while ensuring that income was transferred only to those requiring it.

The alternatives have been set out without taking into consideration difficulties inherent in the constitutional division of powers. With the exception of the present program of Old Age Security and supplementary benefits there is some doubt that the federal government has the constitutional authority to make selective payments to a specific class or classes of persons.⁹ The

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9. Thus Bora Laskin writes: "It has become a truism of Canadian constitutional law that judicial interpretation of the British North America Act has given the Provinces specific legislative authority (especially in respect of social services) that far exceeds their financial resources and their money raising powers while it has left the Dominion with financial resources through an ample taxing power overshadowing its regulatory authority

Within this framework (i.e. The British North America Act) the Dominion and the Provinces have had to meet and satisfy the claims and demands for various forms of public assistance. Hence the development of grants-in-aid by the Dominion to the Provinces and the growth of what may be called a Federal spending power involving disbursement of money on stipulated conditions but without any right of compulsory direction or regulation of the beneficiaries"

Laskin, Bora, Canadian Constitutional Law, Toronto: Carswell, 1969, p.665-66.

problem of jurisdiction might arise if the federal government attempted to apply the negative rates approach to the Family Allowance system or used its taxing power to achieve selectivity.

The Department suggests that it would be more appropriate to transfer funds expended in the Family Allowances program to the provinces which have the authority to distribute them selectively. The provinces could then establish income tested programs which would distribute the funds to lower income families. This would substantially alleviate the problem of the working poor.

Old Age Security and the Guaranteed Income Supplement

The objective of the Old Age Security program "has been to provide a basic pension as a floor on which Canadians could build a retirement income." The benefit is a categorical demogrant of \$79.58 per month (1970 figure) available to all individuals who meet the age and residence requirements, regardless of their needs.

The complementary Guaranteed Income Supplement program is intended to provide additional income support for old age pensioners who because of age will not be assisted by the Canada and Quebec Pension Plans. The supplement is income-tested and Old Age Security recipients who have no other taxable income are entitled to the maximum benefit of \$31.83 per month (1970 figure). The supplement is reduced by approximately \$1 for each two dollars of taxable income over the basic Old Age Security payment.¹⁰ The use of a selective supplement ensures that additional funds are provided only to pensioners in need.

The basic Old Age Security demogrant system does not involve as high a degree of leakage as the Family Allowance program. This is due to two factors:

The incidence of income deficiency is high in the 65 and over age group.

Since Old Age Security payments are taxable, some of the leakage is returned through the income tax mechanism.

While the Old Age Security demogrant is much more efficient than the Family Allowance system it does incorporate a considerable amount of leakage. The Department of National Health and Welfare Annual Statistical Report for 1968-69, provides annual expenditure data for the Old Age Security and Guaranteed Income Supplement program in Ontario. Total net payments for Ontario were approximately \$475 million for Old Age Security and \$75 million for Guaranteed Income Supplement totalling \$550 million. Approximately 314,000 (or 57 per cent) of the 554,000 Ontario pensioners did not receive a Guaranteed Income Supplement. Pensioners who are ineligible would have incomes which would approximate or exceed the poverty line. This means that most pensioners not receiving the supplement would have incomes above the poverty line. However it does not follow that all their Old Age Security payments represent leakage since a significant proportion of pensioners who do not receive the supplement would have incomes below the poverty line if they were not receiving Old Age Security.

It is possible to obtain a rough approximation of the degree of leakage in the Old Age Security program by examining income distribution within the 65+ age group. The Dominion Bureau of Statistics 1967 income estimates illustrate income distribution among the aged in two broad categories: individuals and the combined group of individuals and families. The estimates

10. Non-taxable income such as social assistance payments do not affect the level of the supplement. This is an interesting contradiction. Although the Family Allowance system is far less effective its allowances are not taxed. Conversely, Old Age Security pensions which involve considerably less leakage are taxable.

indicate that 20 per cent of individuals 65 and over had annual incomes in excess of \$2,999 per year; and 23 per cent of individuals and families with heads 65 or over had incomes in excess of \$4,999.¹¹ Pensioners in those categories would have incomes above the poverty line even if they did not receive Old Age Security. Therefore one could estimate that, in terms of annual income, more than 20 per cent of all Old Age Security recipients are non-poor.

Annual income may not be a totally satisfactory criterion for estimating poverty among the aged. The American experience would indicate that poverty among the aged should be viewed in terms of the normal life cycle of income.¹²

The normal life cycle of income presents a somewhat different problem in the definition of poverty. The low incomes of some young people are not indicative of poverty: Consider impecunious students of law or medicine with years of lucrative practice ahead of them. Neither are the low incomes of many old people who are living comfortably by gradually consuming assets they accumulated before retiring. Distributions of annual income exaggerate economic inequality by including differences due to age and position in the life cycle. Unfortunately we do not have good estimates of inequality of lifetime incomes.

When wealth is considered, along with one-year income, in the definition of poverty, the estimated prevalence of poverty among the aged is reduced by about a third.¹³

The Department is not suggesting that the leakage in the Old Age Security program should be completely eliminated. Much of it goes to near-poor pensioners who would be severely affected if their pensions were cut off or substantially reduced. However while the incidence of poverty is high among the aged, not all the aged are poor, particularly when assets are taken into account. The 1967 Dominion Bureau of Statistics estimates indicate that 10 per cent of all individuals and families with heads 65 or older had incomes which were in excess of \$8,000 annually.¹⁴ Even that calculation is based upon income only and does not allow for assets. The Special Senate Committee on Poverty, has commented on the cost of combating poverty and has on several occasions expressed concern regarding the source of funds for new and improved programs. The Department of Social and Family Services is simply drawing attention to the fact that the national Old Age Security program, excluding the Guaranteed Income Supplement, cost \$1.3 billion in 1968-69. Approximately 10 per cent of that amount appears to be distributed to persons whose incomes are well above the poverty line.

11. Income Distribution and Poverty in Canada, 1967, Preliminary Estimates, Ottawa: Dominion Bureau of Statistics, 1967, Table 5, p. 9; Table 3, p. 6.

12. For example, an aged single person could have \$14,000 in liquid assets invested at 6 per cent and his gross annual income, including Old Age Security would be only approximately \$1,800 or slightly below the current poverty line.

13. Tobin, James, "Raising the Incomes of the Poor", Agenda for the Nation, Washington D.C: The Brookings Institution; 1968, p. 85.

14. Income Distribution and Poverty in Canada, Table 3, p. 6.

The Unemployment Insurance Program

The Unemployment Insurance Commission brief to the Special Senate Committee on Poverty cited terms of coverage, benefit levels, eligibility, contingencies and improved integration as possible areas for improvement in the unemployment insurance program. The Department of Social and Family Services contends that these possible areas for improvement are in fact serious shortcomings and that major revisions are urgently required. While the inadequacies of the program affect wage and salary earners whose incomes are well above the poverty line they impact most heavily upon the working poor.¹⁵

Coverage - Certain forms of low wage employment are excluded from unemployment insurance coverage. Workers in hospitals and charitable institutions and employees in private domestic services are classified as non-insurable. Their exclusion is discriminatory and cannot be justified in terms of occupational characteristics or stability of employment. Similar employees in other sectors are not excluded and coverage is extended to workers in highly seasonal employment.¹⁶

Benefit Levels - The unemployment insurance benefit system works to the disadvantage of the working poor. Benefit levels are related to an individual's earnings and like earnings they are not related to individual needs. The working poor are most affected as they suffer from low wages and hence low benefits. For example if the working head of a five person family earns \$65 per week he pays an employee deduction of 80 cents. His benefit level is based upon the average rate of the thirty most recent contribution weeks. Assuming earnings do not fluctuate and he is eligible in all other respects he would be entitled to a dependency benefit of \$33 per week. This benefit would be the same regardless of the number of dependents. His low wages limit his contributions and his contributions determine his benefits. When unemployment occurs the gap between his resources and his needs increases.

The Unemployment Insurance Commission brief states that "unemployment insurance does not lift a poor man out of his poverty; it only helps to keep him from dropping below the level where he was - before he lost his job.¹⁷ Benefits can only help an individual from dropping below his previous level if there is an additional source of funds, whether it be savings, interest or even social assistance. This argument is quite valid for most employees; their earnings lift them above the poverty line and they may be able to save some of their excess income for emergencies. A construction worker may be seasonally unemployed but may earn more than enough to provide for his family during the

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15. For example it is inequitable to exclude salary earners whose incomes exceed \$7,800 per year, while extending coverage to hourly rated workers whose annual incomes are well in excess of that amount. Salaried employees are not totally protected from unemployment and may be seriously affected by it particularly when they are displaced after a number of years of service with the same employer. Their age and previous salary level serve as a barrier to re-employment.
 16. Coverage is also denied to most casual workers, farmers and self-employed persons. Casual employment may be the only opportunity available to some members of the labor force; some self-employed persons and farmers are members of the working poor although they are not employees.
 17. Proceedings of the Special Senate Committee on Poverty, Ottawa: Queen's Printer, No. 9, Tuesday, June 3, 1969. Appendix J, p. 321.

season and supplement his income through unemployment insurance. There is very little information available concerning asset distribution but there is a correlation between assets and income. If the working poor have inadequate incomes then they cannot be expected to have savings or income producing assets to supplement their meagre unemployment insurance benefits and many are forced to rely on the social assistance mechanism. Concepts which are valid for the more affluent worker are not necessarily appropriate for the working poor.

The Department is aware of the principle of benefit/earnings relationships but does not find the existing benefit/earnings ratio acceptable. The Unemployment Insurance Commission brief states that "for a claimant with a dependent the weekly benefit is about 50% of his normal weekly earnings and for a claimant without a dependent it is about 40%."¹⁸ Presumably this is subject to qualification as the maximum levels are \$42 for a single person and \$53 for a dependent benefit and many insurable employees earn wages well in excess of \$106 per week.

A benefit/earnings ratio of 40 to 50 per cent with a maximum weekly payment of \$53 hurts all claimants but it strikes hardest at those with the greatest need, the working poor. A more realistic benefit structure and a higher benefit/earnings ratio are urgently required, particularly by those at the lowest wage levels. It would appear that this could be obtained without departing from the insurance concept nor inducing a higher risk element than certain forms of existing coverage. Similarly more consideration could be given to individual needs than the present "single" and "dependent" structure. While improvements in this area are limited by both administrative and conceptual difficulties a third multi-dependent categorization might be feasible.

Eligibility for Benefits - The Unemployment Insurance Commission brief has stressed two situations in which insurable employees are ineligible for benefits:

Workers who are unemployed as a result of sickness, and

Female workers who have to leave their employment as a result of pregnancy.¹⁹

As the Unemployment Insurance Commission brief has made a case for extending benefits to these ineligible; the Department recommends their inclusion, as the denial of benefits weighs most heavily once again upon the working poor.

Unemployment Insurance and Social Assistance - The Unemployment Insurance Commission has acknowledged that the Commission could improve its program through improved integration "with other forms of social development and welfare programs in order to give maximum effectiveness to the overall system by closing gaps and eliminating overlapping."²⁰ Problems in integration exist and more co-ordination is required. For example an unemployed worker may put in a claim for benefits and payments of the claim may be delayed; in the interim he may rely on social assistance payments. This creates two distinct problems for the social assistance structure. First, social assistance is called upon to compensate for a gap in the unemployment insurance program. Second, when the retroactive benefit is paid, the recipient has received funds from both agencies and both administrative and financial overlapping has occurred.

This latter type of problem is minor in relation to the question of the entire relationship between social assistance and unemployment insurance. The problem can be illustrated by the example of the family head with four dependents who earned \$65 per week and is entitled to \$33 in benefits. As his benefits are less than his needs he may receive supplementation from social

18. Ibid. p. 321

19. Ibid. p. 321

20. Ibid. p. 322

assistance. Despite his employment record and his contributions he is forced to resort to the welfare mechanism. In this event he must meet the needs test. He becomes a welfare recipient. He gains no advantage from unemployment insurance despite his contributions as he is entitled to exactly the same gross income as a family head who suffered from chronic unemployment and was not entitled to benefits.

A similar argument is relevant for workers who are left unprotected because of gaps in the unemployment insurance program such as pregnant women, those who lose employment through illness, single mothers, etcetera. The only distinction is that these cases do not receive any benefits despite their contributions. At least a portion of the social assistance structure must serve as a program of last resort but the imperfections of the unemployment insurance system force some individuals into the last resort programs at too early a stage.

Modifications in coverage, benefits and eligibility criteria, would improve the situation and reduce the degree of reliance on social assistance. However the program requires more than minor modification. A complete reappraisal is necessary not only in terms of possible areas of improvement but also in terms of the basic concepts and objectives and its relationship with other income maintenance programs. Unemployment insurance is the first line of protection against loss of employment. It is a right which the worker has earned on the basis of his participation in the labor force and his contributions. The Department contends that there is an urgent requirement for a vastly expanded unemployment insurance system more oriented to the needs of the working poor. This would provide a more meaningful and socially desirable method of protecting the working poor from drifting into poverty than through social assistance. It also reflects the work ethic of our society; a person who has worked has earned the right to an acceptable benefit level.

C. The Working PoorIntroduction

Poverty is most readily associated with persons who are outside the labor force. Unfortunately some fully employed persons have incomes which are inadequate for their needs. The Department of Social and Family Services recognizes the dilemma of the working poor and welcomes the opportunity to discuss this topic.

The Scope of the Problem

Poverty in the context of income deficiency, exists when income is inadequate to meet a socially acceptable standard of needs.

Poverty lines try to express basic needs in terms of required income levels. Needs increase with family size and The Family Benefits Act and The General Welfare Assistance Act adjust allowance levels accordingly. In contrast, earnings are determined primarily by economic factors and are not related to family needs. As a result many fully employed people suffer from income deficiency.

Other briefs have related the problem of the working poor to the minimum wage. Although the minimum wage may produce an income exceeding the poverty line for the single individual it is inadequate for the family with one or more children. Discussing poverty in the context of the minimum wage is particularly useful as it emphasizes that the "working poor" are primarily families with children.

Examination of the minimum wage structure should not obscure two points:

Some low wage earners cannot obtain uninterrupted full time employment and their hours of work and income from other sources are also key factors in determining their annual income.

As needs increase with family size, some wage earners have incomes below the poverty line although their earnings are well above the minimum wage.

The Committee is aware of the problems which are inherent in the use of the minimum wage as a primary weapon against poverty. The minimum wage is an important device and does contribute to the alleviation of poverty.

Undoubtedly, by setting a minimum wage some contribution towards alleviating poverty among the employed poor is made; but this should be recognized only as a by-product of providing protection to workers with little bargaining power and guarding against the outbreak of socially undesirable cut throat competition based on declining wages.¹

1. Whittingham, Frank, Minimum Wages in Ontario, Analysis & Measurement Problems, Industrial Relations Centre, Queens University, Kingston, 1969, p. 53.

However there is no indication that the minimum wage is an appropriate primary device for eliminating poverty and it would appear that the "minimum wage program is a cumbersome tool for redistributing income".²

Therefore while the minimum wage can be effectively used to illustrate the problem of the working poor; it would be inappropriate to consider it as a major redistributive device.

Major increases in the minimum wage may decrease the supply of available jobs and deprive some family heads of their jobs.

It should be noted that the problem of the working poor is not merely that of family heads who are employed at the minimum wage but rather of any employed individual or family head whose income is inadequate for his needs, regardless of his hourly wage.³

Social Assistance and Low Income Employment

It has been noted that it is possible to obtain a higher level of income from Ontario social assistance allowances than from full time employment at the minimum wage.

Table 9 illustrates the relative positions of families composed of two adults and three children under 9 years of age. One receives social assistance while the major source of income of the other is the father's earnings. Although the gross income of the working poor family is approximately \$1,200 higher than that of the family receiving social assistance the differential is actually much narrower. The social assistance family is not subject to income tax, pays neither Canada Pension Plan nor Unemployment Insurance premiums, has no work expenses and is provided with free hospital, medical and dental coverage. Therefore comparisons in terms of gross income are misleading because the "gross income" of a family on social assistance is really equivalent to the "take home pay" of a wage earner less work expenses.

The "net income" comparison in Table 9 indicates a difference of only \$205 annually (or approximately \$18 per month) in favour of the working family despite the fact that the wage earner is employed at a rate of \$2.30 per hour.

The comparison is based on a family which is entirely dependent upon social assistance and does not allow for possible part time earnings. The Family Benefits Act has always permitted part time earnings.⁴ The Act provides a basic earnings exemption of \$24 for the first person and \$12 for each additional family member. Income in excess of the exemption is offset at a rate of .75 cents on the dollar. A recent review of a sample of Family Benefits "mothers" cases in Toronto indicates that approximately 15 percent have used or are using this provision. A similar provision has recently been included in the General Welfare Assistance Act with the distinction that it is available to recipients at the discretion of the Municipal Welfare Administrator. Table 10 compares a working poor family with a social assistance which supplements their allowances with part time earnings.

Table 10 illustrates the case of a social assistance family which exercises the part time work option and earns \$1,200 during the year (\$100 per month). Their "net income" after allowances for work expenses is \$623 or \$52 per month higher than a working poor family which earns \$4,784.

2. Ibid p. 52

3. Overemphasis on the numbers of persons employed at the minimum wage also tends to obscure the high concentration of female workers in low income employment. In many cases their employment would be a secondary source of family income.

4. See Chapter II. for a full description of this provision.

Special Senate Committee

TABLE 9

COMPARISON OF NET INCOMES
FIVE PERSON SOCIAL ASSISTANCE AND WORKING FAMILIES (a)

	Working Poor Family	Social Assistance Family
Income		
Earnings	\$4,784	n.a.
Ontario social assistance payments(b)		\$3,600
Family Allowances	216	216
Gross Income	\$5,000	\$3,816
Deductions & Expenses		
Canada Pension Plan	\$ 75	n.a.
Income Tax - 1969 rates	290	n.a.
Unemployment Insurance	65	n.a.
OHSC (Hospital Insurance)	132	provided free
OHSIP (Medical Insurance) (d)	177	provided free
Work expenses (e)	240	n.a.
Total Expenses	979	
Net Income	4,021	3,816

(a) Two adults and three children under age 9.

(b) Social assistance payments according to The Family Benefits Act and assuming the family has no other source of income. (Social Assistance payments are not taxable. A representative allowance of \$300 per month has been used. The family rents unheated quarters and is entitled to fuel allowances. The pre-added budget is \$185, shelter \$100 and fuel \$14.41 per month for a total of \$299.41. Special diets, transportation, wheelchair allowances, free dental care and drugs have not been included.)

(d) OHSIP based upon full rate charges as the taxable income exceeds \$1,300.

(e) Work expenses estimated at \$20 per month.

TABLE 10

COMPARISON OF
THE EFFECT OF PART TIME EMPLOYMENT PROVISIONS (a)
ON NET INCOMES
FIVE PERSON SOCIAL ASSISTANCE AND WORKING FAMILIES (b)

	Working Poor Family	Social Assistance Family
Income		
Earnings	\$4,784	\$1,200 (c)
Ontario social assistance payments		3,348 (d)
Family Allowances	216	216
Gross Income	\$5,000	\$4,764
Deductions & Expenses		
Canada Pension Plan	\$ 75	n.a
Income Tax - 1969 rates	290	n.a (e)
Unemployment Insurance	65	n.a
OHSC (Hospital Insurance)	132	provided free
OHSIP (Medical Insurance)	177	provided free
Work expenses	240	\$ 120 (f)
Total Expenses	979	120
Net Income	4,021	4,644

- (a) Basic earnings exemption of \$72 (\$24 for family head + \$12 for each dependant) per month or \$864 per year. All income in excess of the exemption subject to 75 per cent offset rate.
- (b) All assumptions including family composition, social assistance allowances, etcetera are identical to Table - except where otherwise noted.
- (c) Part time earnings of \$100 per month.
- (d) Net allowance after application of the earnings exemption and offset rate.
- (e) As the social assistance family's exemptions exceed its earnings and social assistance payments are not taxable, no income tax is payable.
- (f) Work expenses estimated at \$10 per month.

This situation creates an economic incentive for male family heads or "single" mothers to trade-off full time employment for social assistance or a combination of social assistance and part time employment. The potential trade-off element is limited by a number of factors. The fact that the family has a lower real income than the level of social assistance payments does not in itself make them eligible for assistance. A family head who abandoned his employment to apply for assistance might not be able to satisfy the welfare administrator that he was either unemployable or making an effort to find employment. Asset limitations would make others ineligible. Many individuals are probably unaware of the benefits which are available. The needs test and the concept of an investigation may serve as psychological restraint to some people. Despite these factors one can only assume there are many people who still choose work over welfare although there are financial disadvantages.

The existing relationship between low income employment and social assistance levels, particularly when supplemented by part time earnings is not entirely satisfactory. However it is not intended to work to the disadvantage of the working poor. Government programs should be established in terms of a reasonable set of goals and priorities. Historically, the area of greatest need in the income maintenance field consisted of those persons who were either unable to work or could not obtain work and consequently had almost no sources of income. Ontario responded to this priority and while present allowances are still somewhat below poverty lines they are generous in relation to income from some forms of employment.

An unintentional side effect of a progressive social assistance policy based on a logical set of priorities has brought about a differential.⁵ The problem would not exist if the Province had adopted a less progressive social assistance policy. There would be no differential if social assistance payment levels were always lower than the minimum wage or if part time earnings were either forbidden or taxed at a 100 per cent rate.

However the necessity for eliminating the differential has been recognized and the Minister of Social and Family Services has stated that the working poor are the next priority in the development of the income maintenance structure.

Employment Related Policies and Programs

The working poor are affected by factors beyond the absence of an effective income maintenance program to supplement their earnings.

Employment - The working poor are primarily dependent upon their earnings for their livelihood. There is no absolute distinction between the working poor and the social assistance recipients. Members of the working poor who suffer from unemployment may become recipients and "employable" recipients return to work as job opportunities occur. The first and foremost requirement of the working poor is employment and preferably better employment.

5. The point has other implications. The differential can be attributed to two major factors.

The provision of social assistance has improved the position of persons outside the labor force.

The economy has not provided the working poor with employment opportunities which will permit them to earn their way out of poverty.

The combination of these two factors has created a new "poorest of the poor class," the working poor whose incomes are less than those of social assistance recipients. Yet ironically some people are of the opinion that the welfare system has failed. If the welfare system had failed, recipients outside the labor force would still be the poorest of the poor.

Jobs have more than a purely economic significance. We live in a work oriented society and holding a job is the accepted and "proper" way of obtaining money and supporting one's family. "Jobs are also a 'good thing' in their own right because, in addition to providing income, they confer status and dignity."⁶

This point has led many social scientists to the conclusion that more and better jobs offer the most attractive solution for poor families. Allowing them to earn their way out of poverty through their own efforts not only appears to be the most appealing solution to the employable poor but also to the rest of society as it conforms to the work ethic.

Many of the working poor are unskilled and find it difficult to compete in labor markets which are highly skill oriented. Some do not succeed in obtaining regular employment, and others may find only marginal employment in the "last hired, first fired" category.

There is considerable evidence that the American poor made the greatest gains during periods of economic expansion. A "tight labor market" is of particular advantage to the poor. It not only increases the number of available jobs but improves their position in the labor market.

As employers compete for increased work forces to meet the new demands for their products, they find workers tailored to their job specifications increasingly scarce and expensive. They reach further back in the queue of unemployed workers. They relax their requirements and broaden their preferences; they overlook deficiencies in education and skills and undertake themselves the expense and trouble of training . . .

Workers at the rear of the queue gain not only in reduction of unemployment, but also in greater availability of full-time work and chances for advancement. In other words, private employers and free markets do much of the work of the war on poverty - without public expenditure and government bureaucracy.⁷

A tight labor market means not just jobs, but better jobs, longer hours, higher wages.⁸

Although authorities on poverty may disagree regarding some aspects of the problem there is consensus on the requirement for high aggregate demand and a strong labor market:

The maintenance of high employment and strong and stable economic growth is crucial. No policies are more effective in helping to move families and individuals out of poverty than the combination of demand and supply policies required to sustain new job creation and the increasingly efficient use of manpower, capital and other productive resources. Without success on this front, other anti-poverty policies are unlikely to be of much avail.⁹

In contrast, policies which reduce the supply of jobs aggravate the poverty problem. Unemployment not only deprives the worker of the ability to earn a livelihood but also increases dependency and has other undesirable sociological and psychological effects.

6. Harris, Robert, "Selecting a System of Income Maintenance for the Nation," Social Work, October 1969, p. 5.

7. Tobin, "Raising the Incomes of the Poor." p. 87.

8. Tobin, "On Improving the Economic Status of the Negro," Daedalus, Fall 1965, vol. 94, p. 880.

9. Economic Council of Canada, Fifth Annual Review, Ottawa: Queen's Printer 1968, p. 131.

The costs of unemployment are not borne equally by all Canadian citizens. It has little impact upon the affluent; few professionals, managers and other highly skilled persons are affected. Unemployment strikes from the bottom and hits hardest at those who are least able to bear the cost. A five or six per cent rate of general unemployment represents a significantly higher rate among low wage earners and a widening of the gap between those who have and those who have not.

The aged, the retired and others on fixed incomes must of course be protected from the effects of inflation. However, it would appear to be more reasonable to protect them through automatic compensatory payments rather than through unemployment which takes its heaviest toll from another sector of the poor.

The 1970 Ontario Budget acknowledged the importance of inflation control but noted that the Province "does not agree that the objectives and methods of current fiscal and monetary policy are irrefutable." The Budget also states that:

Ontario, with a rapidly growing population and labor force, needs a continuous stream of private and public investment to create new jobs and raise living standards. Any attempt to cure inflation by creating unemployment runs counter to the Ontario Government's objective of keeping unemployment at no more than 3 per cent of the labour force. This is a reasonable economic objective and it is imperative that a more sophisticated strategy than induced unemployment be found to cure inflation. The Ontario Government is not willing to accept the view that unemployment is a just and effective way of solving the problem. The effects will fall on the lowest income-groups in the community. It is inconsistent to propose economic goals of tax equity to help these citizens, while contributing to their loss of livelihood as the price of solving inflation.¹⁰

Unemployment Insurance - Section B reviewed the present unemployment insurance system in some depth and noted serious inadequacies in coverage, benefit levels and co-ordination with the social assistance structure. There is a requirement for an adequate and efficient system of unemployment insurance even during periods of strong labor markets. This need is even more acute during periods of unemployment.

Manpower Services - The Committee is aware of the problems which exist in retraining and therefore the Department will limit its comments to repeating the point that meaningful and appropriate retraining is essential in a highly skill oriented society.

The Economic Council of Canada has stressed the requirement for stable economic growth and noted that a full scale war on poverty should embrace the four inter-related and mutually supporting categories of anti-poverty programs:

Individual improvement programs

Community betterment programs

Manpower development, training and mobility programs

Income maintenance.¹¹

Assistance to the working poor is not only income maintenance but rather an appropriate blend of all four types of anti-poverty programs.

10. Ontario 1970 Budget, Toronto: Ontario Department of Treasury and Economics, 1970, p. 45.

11. Economic Council of Canada, Fifth Annual Review, p. 127.

Taxation of the Working Poor - Taxation provides the revenue for transfer programs and is one of the most efficient methods of redistributing income. At present the tax system provides the funds for social assistance programs but is not directly related to them. For example the Old Age Security program is financed by taxation (and as previously noted Old Age Security payments are taxable) but the Old Age Security system is not an integral part of the tax structure. Many forms of guaranteed annual income systems, particularly those which are based upon the negative income tax concept, would result in a much closer relationship between the taxation and transfer payment mechanisms.

Future developments in income maintenance may proceed along present lines (i.e. with income maintenance systems as separate programs) or may involve more integration with the tax structure (as in negative income tax programs). In either case the tax structure must be effectively co-ordinated with the income maintenance system not only in the context of financing but also in terms of operation. Effective co-ordination of the taxation and income maintenance structure is axiomatic for any form of future development and most particularly for the creation of selective programs based upon income deficiency.

The Department would like to draw attention to the fact that the income tax system tends to affect the relationship between social assistance recipients and members of the working poor. The point can be readily seen by examining the effects of excluding social assistance payments from taxation.

The existing income tax system exempts social assistance payments from taxation and the Proposals for Tax Reform state that this provision will be retained:

Social assistance payments for those in need would not be taxed if made under federal or provincial legislation or by a registered charitable organization subject to a needs test or means test. The test would be sufficient evidence of inability to pay, and the circumstances of those to whom the payments are made would normally make reporting of income and assessment of tax impractical.¹²

The exclusion of social assistance payments from taxation tends to increase the differential between social assistance recipients and some of the working poor. Table 11 illustrates this situation in terms of both the present and proposed income tax systems. It compares a 5 person social assistance family which supplements its allowance with part time earnings, with a similar working poor family whose major source of income is derived from full time employment. Although the social assistance family has a higher gross (and real) income they are not required to pay income tax as their social assistance allowances are not taxable and their exemptions and deductions exceed their earnings. In contrast the working family is required to pay:

\$292.04 under the present income tax system

\$153.49 under the Proposals for Tax Reform

A similar situation occurs when a family head who is unable to obtain regular employment derives part of his income from social assistance or unemployment insurance benefits.

If the unemployed family head has several dependents the existing maximum unemployment insurance benefit is likely to be less than his needs as defined by The General Welfare Assistance Act and he may be eligible for assistance. In some cases the unemployed person is ineligible for unemployment benefits and proceeds directly to the social assistance system.

12. Proposals for Tax Reform, Ottawa: Queen's Printer, 1969, p. 18.

It should be noted that payments under the Old Age Security Act are excluded from this provision.

TABLE 11

COMPARISON OF
THE EFFECT OF EXEMPTING SOCIAL ASSISTANCE PAYMENTS FROM INCOME TAX
FIVE PERSON FAMILY (a)
PRESENT AND PROPOSED INCOME TAX STRUCTURE

	Working Poor Family Present Tax System	Working Poor Family Proposed Tax System	Social Assistance Family
Income			
Earnings	\$4,784	\$4,784	\$1,200 (b)
Ontario Social Assistance	n.a.	n.a.	3,888 (c)
Gross Income (excluding Family Allowances) (d)	\$4,784	\$4,784	\$5,088
Less:			
Canada Pension Plan	\$ 75	\$ 75	n.a.
Unemployment Insurance	n.a. (e)	65	n.a.
Gross Taxable Income	\$4,709	\$4,644	n.a. (f)
Less:			
Exemptions & Deductions	3,000 (g)	3,950 (h)	0
Net Taxable Income	1,709	694	n.a.
Income Tax Payable	292.04	153.49	0

(a) Two adults and three children under age 9.

(b) Part time earnings of \$100 per month.

(c) The maximum allowance of \$345 or \$4,140 annually. (This has been used as the question in one of the maximum levels of exempt income. The amount \$3,888 represents the net allowance after earnings have been offset by the earnings exemption and 75 per cent offset rate.)

(d) Family Allowances are not taxable and do not affect the calculation.

(e) Unemployment Insurance premiums are not deductible under the present income tax system.

(f) The social assistance family has no taxable income as social assistance payments are exempt and earnings are less than total exemptions and deductions.

(g) Exemptions and deductions are: \$1,000 per adult, \$300 per child, \$100 medical/charitable.

(h) Exemptions and deductions are: \$1,400 per adult, \$300 per child, \$150 work expenses, \$100 medical/charitable.

In either case neither unemployment insurance benefits nor social assistance payments are taxable under the present income tax system. Therefore it is possible for a family head whose total income is well above his exemption level to pay no income tax as his earned income is less than his exemptions and unemployment insurance and social assistance payments are not taxable. Yet a fully employed family head whose annual income was derived almost entirely from earnings would be required to pay taxes on a lower or equivalent level of annual income.

The Proposals for Tax Reform have acknowledged the problem created by the exemption of unemployment insurance benefits and recommended that they be taxed as "Tax exemption for these payments is unfair to the person who earns the same total income but who must pay more tax."¹³

The preceeding point is by no means the only way in which either the present or proposed income tax systems contribute to the relative disadvantage of the working poor. For example both systems contain provisions which are of far more value to the high income earners than to low income earners, such as:

(1) The use of exemptions rather than tax credits. Exemptions when combined with progressive marginal tax rates increase in value as taxable income rises. A \$1,000 exemption is worth \$200 in terms of taxes for foregone to a low wage earner in the 20 per cent marginal tax bracket whereas the same exemption is worth \$800 to a man at the 80 per cent marginal tax bracket. A basic tax credit of \$50 is worth that specific amount to all taxpayers regardless of whether they owe \$51 (actual tax payable would be \$1) in taxes or \$51,000 (actual tax payable would be \$50,950).

(2) The use of an individual rather than a family tax unit. As the marginal tax rates are progressive the provision is more valuable to higher income families in which two or more members have incomes than to similar low income families.

The Proposals for Tax Reform emphasize fairness in taxation and state that fairness implies two principles:

That persons in similar circumstances should carry similar shares of the tax load.

That people who are better off should be expected to pay a larger share of their income in taxes.

The exemption of social assistance payments illustrates not only the need for reconsidering fairness in taxation but most particularly the requirement for more effective harmonization of the income tax and social assistance structures.

Work Supplementation in Other Provinces - The Committee has noted that it is possible to subsidize incomes of the working poor under the Canada Assistance Plan and that provinces which do so are entitled to receive 50 per cent of the cost from the federal government. The Committee has also stated that "seven out of ten Canadian provinces" have done so whereas "rich Ontario" has failed to exercise this option.

The Department acknowledges that income supplementation is shareable under the Canada Assistance Plan and that, with the exception of some female headed families and disabled persons, Ontario does not provide this form of assistance.

The significant factor is the scope of supplementation in those provinces

13. Proposals for Tax Reform, p. 18.

which allow it. The Department has made enquiries on this point from the provinces. Only one failed to reply and British Columbia states that it does not keep separate statistics on wage supplementation. Of the others the largest caseload of working poor reported in any one province was a little less than 1,000; and of these over half were cases of families headed by women. No province is yet operating a full-scale work supplementation program under the Canada Assistance Plan. In each province the numbers supplemented are very few and they make up a very small percentage of persons in receipt of social assistance.¹⁴ The Department of National Health and Welfare has summarized the situation accurately:

In practice . . . payment of assistance in such provinces is on a highly restricted basis and is usually confined to families in which extreme hardship can be identified.¹⁵

Permissive supplementation has not yet brought assistance to the great majority of the working poor in any province. No Canadian province is operating a full-scale work supplementation program which provides assistance as a right to all fully employed persons whose income and resources are inadequate for their needs. The point is emphasized because there appears to be an impression to the contrary.

Supplementation of The Working Poor

At present, Ontario operates two major income maintenance programs under the Canada Assistance Plan, Family Benefits and General Welfare Assistance. Both programs provide assistance as a right to eligible persons in need. They provide a guaranteed income for persons who are either outside the labor force or are unemployed. (See Chapter II.) The extension of assistance to the working poor would close the last major gap in the income maintenance structure.

It has been noted that Ontario has not supplemented the working poor under the Canada Assistance Plan. The Department's position concerning this issue depends upon the interpretation of supplementation. There are two possible interpretations:

The extension of assistance to a limited number of the working poor as some provinces have done.

The introduction of a full scale program which provides assistance as a right to all members of the working poor whose income is less than their needs.

Permissive Supplementation - The provision of permissive selective but consistent assistance to certain members of the working poor is a possibility and might be the most effective approach to the problem. If assistance were provided in terms of a logical set of needs oriented priorities to a selected target group in an experimental mode it would be possible to:

Assist the most needy segment of the working poor and develop urgently required information concerning potential problems which might be encountered in supplementing a segment of the poor, when remarkably little is known.

Assistance as a Right - The provision of assistance as a right involves a number of complex factors which are not directly related to the Canada Assistance Plan. These factors can be readily demonstrated by approaching the problem from the perspective of the Canada Assistance Plan and the existing social assistance programs.

14. There also appears to be some variation in the form of assistance. It would appear that in one province assistance may be provided in kind rather than in funds. Similarly, assistance may be not provided on a continuing basis but restricted to certain periods and conditions.

15. Department of National Health and Welfare, p. 26.

The terms of the Canada Assistance Plan would allow the Province to supplement the wages and salaries of the working poor. There are a few minor problems but these could be readily overcome.

For example the Canada Assistance Plan requires the use of a needs test involving assessment of an applicant's income and resources in relation to his needs. Although there is a wide-spread impression that the provinces set needs tests, criteria are not determined unilaterally as they must be approved by the federal government. The present Ontario social assistance structure is designed for persons who are either outside the labor force or are unemployed. In these cases it is not inequitable to assess both the income and resources of an applicant. An individual may have little or no income yet have considerable assets. For example an unemployed single man may have no income but may have saved several thousand dollars. It would neither be just nor in the public interest to provide him with social assistance until he had used a reasonable proportion of his savings for his own support. This problem has resulted in the traditional welfare investigation which was created to ensure that the applicant did not retain an unreasonable amount of liquid assets while drawing assistance.

The Department feels that certain aspects of this approach are undesirable and is currently conducting a study to develop a simplified and more effective method of determining eligibility.

The majority of the working poor present an entirely different problem. They are actively engaged in the labor force and are primarily dependent upon their own earnings. In contrast to the "traditional" social assistance recipient who is either entirely or primarily dependent upon assistance, the working poor require only supplementation as long as they are able to remain employed. As their incomes are inadequate to meet their needs they are unlikely to have any significant amount of liquid assets to sustain themselves. Normally their savings would not exceed the exemption levels under The Family Benefits Act and in any case forcing them to deplete their savings in order to be eligible for a wage supplement would be equivalent to penalizing thrift and making them even more dependent by eliminating any small contingency reserve they might have. However assets cannot be completely ignored as it is possible for some individuals to have a high level of liquid assets and limited level of income. While exceptions of this nature are rare they are significant as abuses undermine public confidence in a social assistance program and stigmatize recipients. Therefore, it would appear possible to develop a combined income and liquid asset declaration method to ascertain eligibility for this group. This would meet the terms of the Canada Assistance Plan while providing an efficient and socially acceptable method of determining eligibility without a detailed investigation of every applicant.

It has been suggested that Ontario social assistance could be modified to provide assistance to the working poor. Present programs were designed to provide full assistance to persons outside the labor force and are not designed for supplementation of earnings. Both General Welfare Assistance and Family Benefits have three basic components:

A high basic guarantee or needs level

An incentive provision for part time employment which consists of an earnings exemption of \$24 for the first person and \$12 for each additional dependent and a 75 per cent offset rate on all income which exceeds the earnings exemption

A breakeven point, or point at which benefits cease.

If the Department extended assistance to the working poor under the existing programs it would be necessary to modify The General Welfare Assistance Act or The Family Benefits Act to include the fully employed. The objective

of this modification would be twofold:

To assist the working poor

To eliminate the income differential between social assistance recipients and members of the working poor. That is, to provide a work incentive for the working poor and allow them to "profit" from their earnings.

The Department could not simply supplement to the basic support or needs level as this would not eliminate the discrepancy. That is, supplementation to the needs level would only allow a few working poor families the same "gross" income as an equivalent family on social assistance which did not have any part time earnings. A working family would not have any reward for their efforts: they would receive exactly the same gross income as the fully dependent family and their "net" income would be lower due to deductions, work expenses etcetera. While they would receive assistance, there would be no incentive to continue working. There would still be an incentive to trade off work for welfare. The differential would not be eliminated as a working family would still be considerably "worse off" than a social assistance family which supplemented its allowances with part time employment.

Therefore it would be necessary to provide an incentive feature which would eliminate this differential and at least provide the same work incentive which is available to present recipients. Theoretically this could be achieved by removing the full time employment restriction and applying the earnings exemption and offset rate to the incomes of the working poor. In essence the plan would operate in the same manner as a negative income tax with two important exceptions:

It would not be an integral part of the income tax structure

Recipients would still be affected by the present income tax structure which has not been harmonized with the social assistance structure.

All "negative rates" systems (regardless of whether they are incorporated in the income tax structure or operate independently) include:

A basic guarantee level

An offset rate to provide incentives (an earnings exemption may be included)

A breakeven point.

The basic guarantee level provides an income floor and a recipient is guaranteed that amount even if he has no other income. For example a typical negative income tax plan might have a guarantee level of \$1,500 for a family of four and apply a 50 per cent offset rate to all other income. If a recipient has no other income he receives the full guarantee. If he earns income, it is "taxed" and his guarantee is reduced by fifty cents for every dollar of earnings. If he earns \$2,000, his \$1,500 benefit is reduced by \$1,000 and his total income is \$2,500. If he earns \$3,000 or more his benefits cease.

Negative rates plans are specifically designed to provide assistance to the working poor. The offset rate is intended to discourage "trading off" work for welfare and to encourage the working poor to at least maintain if not expand their work effort. The use of the offset rate ensures that an individual always profits from work. As the offset rate takes only a part of his earnings he always profits by increasing his earnings. When the hypothetical "modified" Ontario social assistance program is analyzed in these terms a number of undesirable features become evident.

Tables 12 and 13 illustrate the results of the hypothetical modification of the existing program.

Chart 1 shows that the breakeven point for a five person family would be \$6,384 per year. As this is approximately \$1,200 higher than the poverty line for that family unit size, payments would be made to the near poor. Any five person family which earned less than that amount would be supplemented. For example, an eligible family which earned \$500 per month would be entitled to a supplement of \$24.

Table 12 illustrates the undesirable aspects of the plan. Offset rates should be designed to provide a high degree of work incentive. The use of an earnings exemption and a 75 per cent offset rate (which were intended to provide a moderate work incentive for fully dependent recipients) creates a pronounced disincentive effect. A fully employed person who earns \$3,000 per year would only receive \$543 more in net income than a similar individual who traded full time employment for part time work and restricted his earnings to his annual exemption of \$864.

The disincentive is even more pronounced when effects of the positive income tax system are introduced. The offset rate will reduce the gross earned income of an "assisted" employee who earns \$6,300 per year to only \$825 more than that of a similar recipient who earns \$3,000 per year. However the latter is not subject to income tax as his earnings are less than his exemptions and his social assistance supplement is not taxable. The \$6,300 wage earner has \$3,200 in taxable income and is required to pay \$637.74 in income taxes. Therefore his net income is only \$187.26 higher than the net income of a man who earned less than half as much.¹⁶ The optimum net income position is attained when the recipient earns \$6,100. At that point his combined net income is higher than that of either the man who earned \$6,300 and received a small supplement or a person who earned \$6,385 (\$1 more than the breakeven point) and was ineligible for assistance. If he increased his earnings by \$285 and became ineligible for assistance his net income would be 87 cents lower than when he earned only \$6,100. A plan of this nature is more likely to encourage dependency than to provide an incentive for a recipient to help himself and become independent.

The disincentive effects would be compounded if free hospital, medical and dental benefits were extended to the working poor to provide them with the same benefits as fully assisted families. A wage earner whose income was close to the breakeven point would have no incentive to increase his earnings as an increase would result in loss of his free hospital medical and dental insurance (which is not available to persons who are ineligible for social assistance).

The Department has been informed by a number of recipients that they cannot afford to return to work and lose the protection provided by these services. Apparently the gap is simply too high for some persons to overcome. Presumably a parallel phenomenon could occur in a work supplementation program.¹⁷

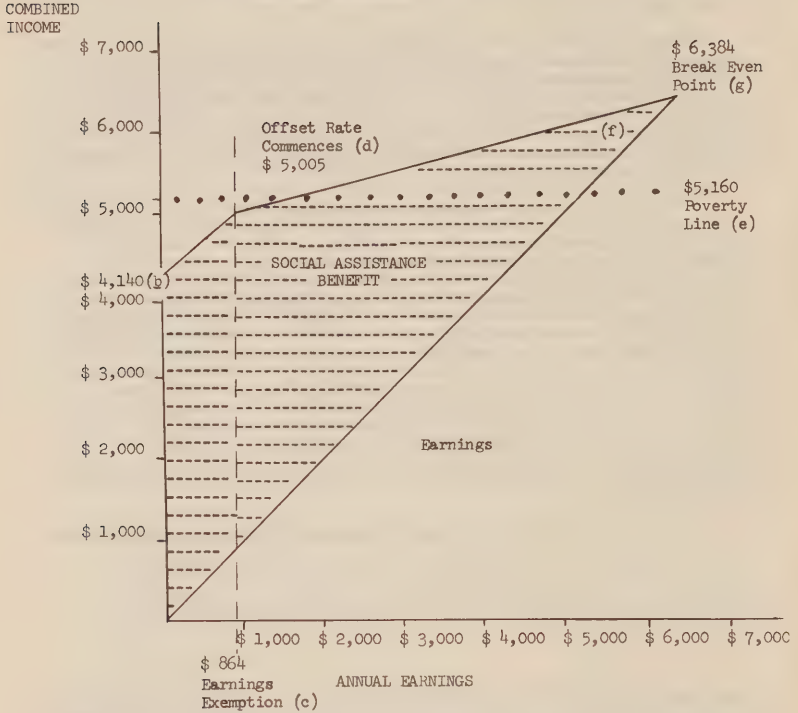
16. The maximum differential occurs at the \$6,100 earnings level. Individuals earning between \$6,101 and \$6,385 actually have a slightly lower differential due to a "notch problem" produced by the combined tax rates.

17. There are other complications. Many of the working poor pay full or partial OHSIP premiums and all of them would presumably pay full hospitalization premiums. In some cases their employers might pay a portion of their premiums. The administrative problems are apparent.

CHART I

HYPOTHETICAL APPLICATION OF ONTARIO SOCIAL ASSISTANCE PROGRAMS TO THE FULLY EMPLOYED (a)

POSSIBLE BENEFIT RANGE FOR FIVE PERSON FAMILY
SEVENTY FIVE PER CENT OFFSET RATE
EARNINGS EXEMPTION



- (a) The example is based on either The General Welfare Assistance Act or The Family Benefits Act and incorporates the needs test, the maximum needs level, the earnings exemption and the offset rate.
- (b) Maximum social assistance allowance \$4,140 annually for a five person unit.
- (c) Annual earnings exemption based on \$24 per month for the first person and \$12 for each dependant for a total of \$72 per month or \$864 per year.
- (d) All income above the earnings exemption is affected by the offset rate. Allowances are reduced by 75 cents for each dollar of non-exempt earnings.
- (e) Five person 1969 poverty line, \$5,160 annually.
- (f) Benefits paid to recipients with incomes above the poverty line.
- (g) The breakeven point, or point at which assistance ceases.

TABLE 12
 HYPOTHETICAL APPLICATION OF ONTARIO SOCIAL ASSISTANCE PROGRAMS TO THE FULLY EMPLOYED (a)
 COMPARATIVE NET INCOMES

FIVE PERSON FAMILY
 SEVENTY FIVE PER CENT OFFSET RATE
 EXISTING EARNINGS EXEMPTIONS

A	B	C	D	E	F	G	H	I	J
Gross Earnings	Earnings Exemption (b)	Earnings Subject to 75 Per Cent Offset Rate (c)	Amount by Which 75 Per Cent Offset Rate Reduces Benefit (d)	Needs Level (e)	Net Benefit (f)	Gross Income (g)	Taxable Income (h)	Income Tax (i)	Net Income (j)
\$ 864	\$ 864	\$ 2,136	\$ 1,602	\$ 4,140	\$ 4,140	\$ 5,004	\$	\$	\$ 5,004.00
3,000	864	2,236	1,677	4,140	2,538	5,538			5,538.00
3,100	864	2,336	1,752	4,140	2,463	5,563			5,563.00
3,200	864	2,436	1,827	4,140	2,388	5,588		14.80	5,573.00
3,500	864	2,636	1,977	4,140	2,163	5,663	100.		5,603.00
4,000	864	3,136	2,352	4,140	1,788	5,788	400	59.20	5,603.80
4,500	864	3,636	2,727	4,140	1,413	5,913	900	133.20	5,654.80
5,000	864	4,136	3,102	4,140	1,038	6,038	1,400	230.00	5,683.00
5,500	864	4,636	3,477	4,140	663	6,163	1,900	331.05	5,706.95
6,000	864	5,136	3,852	4,140	288	6,288	2,400	445.55	5,717.45
6,100	864	5,236	3,927	4,140	213	6,313	2,900	563.09	5,724.91
6,300	864	5,436	4,077	4,140	63	6,363	3,100	586.60	5,726.40 (k)
6,385 (m)	n.a	n.a	n.a	n.a	n.a	6,385	3,200 (l)	637.74	5,725.26
							3,385	659.47	5,725.53

- (a) The example is based on The Family Benefits Act and incorporates the needs test, the maximum needs level, the earnings exemption and the offset rate.
- (b) Monthly earnings exemption of \$24 for the first person and \$12 for each dependant for a total of \$72 per month for a five person family $24 + (4 \times 12)$; annual exemption 72×12 , or \$864.
- (c) Gross earnings less the earnings exemption: Column A - Column B = Column C.
- (d) Earnings subject to tax x the offset rate: Column C x 75 per cent offset rate.
- (e) Annual needs level for a five person family based on the \$345 maximum monthly allowance under The Family Benefits Act or the General Welfare Assistance Act.
- (f) Needs level - the amount by which benefits are reduced: Column E - Column D = Column F.
- (g) Combined earnings and net benefits: Column A + Column F = Column G
- (h) Taxable Income = Gross Earnings - Exemptions and Deductions: Column A minus total income tax exemptions and deductions (Exemptions and deductions are: \$1,000 per adult, \$300 per child, \$100 medical/charitable, and \$100 miscellaneous for Canada Pension Plan, Union Dues, etcetera. Total exemptions and deductions are \$3,100).
- (i) Calculated on taxable income at 1969 rates: amount of income tax paid on earned income, social assistance payments are not taxable.
- (j) Gross Income less income tax: Column J = Column G - Column I.
- (k) Optimum net income position is attained with Gross Earnings (Column A) of \$6,100 and Net Benefit (Column F) of \$213.
- (l) The aggregate tax rate (combined 75 per cent offset and income tax rates) on last \$200 is 101.57 per cent.
- (m) As gross earnings are \$1 more than the break-even point the individual is no longer eligible for assistance.

It should be noted that our experience indicates that most employable persons would prefer to be self supporting. The economic aspects of the hypothetical program (including incentives, differentials etcetera) have been stressed for a number of specific reasons:

First, the difference between the working poor and social assistance recipients is, in the first instance, one of money. Similarly the question of incentives is not merely one of maintaining the labor supply but also one of relative monetary equality.

Second, while very little is known about the effects of supplementing the working poor, incentives and the labor supply are the major public issues. While our knowledge is limited, it would be undesirable to build pronounced work disincentives into a program which is intended to eliminate economic differentials, particularly when one of the major criticisms of social assistance has been the lack of incentives in some programs.

Third, dollar values can be readily quantified. It is possible to calculate breakeven points, and compare the incomes of one family to another. In contrast, it is much more difficult to predict, let alone quantify psychological and sociological effects although they may be extremely significant.

The program would also create serious administrative problems. In contrast to many salaried employees the incomes of the working poor do not consist of uniform monthly payments. Their incomes may be cyclical, peaking in one season and declining in another. Many suffer from periodic unemployment and have fluctuating incomes. Yet their needs must always be met and assistance must be prompt and adequate.

The problem can be readily seen by comparing this situation with an operational negative rates system, the Guaranteed Income Supplement. The program is designed for a group which is outside the labor force. It is income and not needs tested and is only applied to one or two person units. The income patterns of its recipients are relatively stable as income is primarily derived from pensions, annuities, interest, etcetera. Payments are calculated on the basis of a recipient's income in the preceeding year. A recipient files one application per year and receives his supplement in arrears in twelve equal installments. The program is efficient and easy to administer and the negative rates approach appears to be quite appropriate for this group.

Application of the negative rates approach to the working poor is an entirely different matter, and creates problems concerning the timing of payments and over-estimates and under-estimates of income. If payments are made on a monthly basis to ensure that current needs are met other problems occur. The process involves continuous determination of eligibility and presumably at least twelve calculations per year for a recipient who maintains his eligibility. The use of an essentially unrealistic time period for assessment of income creates a situation in which recipients are being continually suspended and reinstated.¹⁸ It also produces situations in which payments might very well be made to people whose annual incomes would be well above the poverty line. If payments are made in arrears on the basis of a submission of proof of earnings delays may occur and there is no provision for current contingencies. If payments are made in advance over-estimates and under-estimates of earnings will occur. Conversely if payments are made quarterly or biannually assistance is not related to current needs; lump sum payments

18. This creates some disincentive effects. A recipient who receives a small subsidy of perhaps \$30 per month may prefer to forego an opportunity to increase his earnings through overtime rather than go through the process of suspension and have to re-apply for benefits when his income returns to its normal level. This is both costly and demoralizing.

do not appear to be the most satisfactory form of assistance.¹⁹

The Department has acquired considerable experience in the operation of negative rates plans through the administration of The Family Benefits Act. Experience indicates that fluctuations in part time earnings of even long term recipients create administrative problems. There is every indication these difficulties would be considerably more pronounced in a work supplementation program. In short, the program would appear to incorporate most of the major administrative problems of the negative income tax system, without the advantages offered by integration with the income tax structure.

The hypothetical modification of existing Ontario social assistance programs serves a useful purpose as it illustrates a number of key points.

(1) One must not readily modify programs to meet new problems. Income maintenance programs must be specifically designed to serve the needs of the assisted group and all relevant socio-economic factors must be taken into account in their design. The preceeding examples indicate not only that modifications would produce a disincentive rather than an incentive but also an undesirable "income equalization" side effect. That is, the difference in net income for all heads of five person families with three children under age 16 who earned \$6,300 or less was reduced to \$188.40.²⁰ If the modified program had been introduced as a right for all working poor families a general income equalization effect would have occurred in the earnings range \$3,000 to \$6,400.²¹ The potential effects on labor supply are not known, however it is not difficult to imagine some of the possible results which this might produce in the areas of collective bargaining and employer-employee relations.

(2) The use of high offset rates in the 75 per cent range appears to produce a "double disincentive effect." First, the worker has little incentive to increase his earnings as the offset rate takes \$3 of every \$4 which he earns above his earnings exemption. It also appears to have a reciprocal function. That is, a pronounced "cushioning effect" is created as the recipient only loses \$1 out of each \$4 when his earnings decline. Therefore a man earning \$6,000 per year could cut his income in half and only lose \$750 in gross earnings (or \$187 in net earnings if the current positive income tax is taken into account).

(3) The income tax system must be effectively co-ordinated with the income maintenance structure. The model illustrates both what would have occurred if the Department had introduced a modified program and what might

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19. The preliminary report of the New Jersey experiment might appear to contradict this point. The report contains selective preliminary data from an extremely important social science experiment. However valid conclusions cannot be drawn from "first significant data." In the words of the Office of Economic Opportunity Report, "it will be necessary to await a detailed report from the social scientists." It would be premature to draw conclusions from preliminary data, particularly when it does not contain details concerning all aspects of the experiment.
 20. The equalization effect would take place regardless of whether income was obtained from part time or full time employment. For example, a \$3,000 per year marginal employee would have little incentive to take a higher paying job which required more responsibility and longer hours. Similarly, a man who earned a high hourly wage but suffered from frequent unemployment would have little incentive to attempt to obtain more employment.
 21. The maximum differential occurs at the \$6,100 earnings level. Individuals earning between \$6,101 and \$6,385 actually have a slightly lower differential due to a "notch problem" produced by the combined tax rates.

happen if new programs are developed without co-ordination. The model illustrates two obvious but often overlooked points:

Incentive oriented plans must allow for the effects of the income tax structure as well as the offset rate (or conversely, the tax structure must provide compatible levels of exemptions and deductions).

The exemption of social assistance payments from taxation creates a situation in which a recipient can trade off increased earnings for tax free social assistance payments. For example the income equalization effect is aggravated by the special status of social assistance payments. If the latter were taxed the net income differential for the \$3,000 to \$6,300 earnings range would increase from approximately \$188 to \$642.²² Harmonization of the taxation and social assistance structures appears to be a prerequisite for the introduction of an assistance program for the working poor.

The hypothetical program is not an exaggerated example of what would occur if wage supplementation were to be "built in" to existing programs. Other alternatives have been fully explored with equally unsatisfactory results. Chart 2 and Table 13 illustrate the effect of decreasing the offset rate to 50 per cent and eliminating the earnings exemption.

This hypothetical modification produces a breakeven point of \$8,280, or \$3,100 per year more than the poverty line for a five person family. A reduced offset rate does not appear to eliminate the disincentive effect and the combined tax rates range from approximately 65 to 79 per cent. The wage equalization effect occurs in a reduced but still unacceptable form. A recipient who earns \$3,000 obtains a net income of \$5,690, whereas a similar individual earning \$8,280 nets only \$6,816.30. Although he earns almost three times as much, his net income is only 20 per cent higher. In short the leakage is excessive, neither the disincentives nor the taxation problem are resolved and the wage equalization effect is unacceptable.

The hypothetical models have been introduced to illustrate two points:

Our existing social assistance programs are not suitable for modification to provide assistance to the working poor.

The models illustrate a few of the many complex variables which would affect any program which offered supplementation as a right.

The question of assistance as a right for the working poor involves considerably more than the existence of a permissive clause in the Canada Assistance Plan. The entire issue is dependent upon a number of key factors.

Knowledge - Income maintenance systems must be designed to meet the needs of the target group in the most effective and efficient manner without introducing seriously undesirable side effects. At this time there is a significant information gap. Very little is known about the working poor per se, the incentive and labor supply, potential economic sociological and psychological side effects, potential costs and benefits etcetera and hence the most effective method or methods of providing assistance.²³

Co-ordination - The model illustrates the lack of co-ordination between the taxation and social assistance structures. However co-ordination embraces many other areas including employment related policies and programs. Even "a guaranteed income program in no sense diminishes the need for government

22. Similarly increased exemptions and deductions such as those contained in the Proposals for Tax Reform would also increase the differential.

23. These working poor can also be assisted by other means such as taxation credits, public housing etcetera.

to follow an active full-employment policy."²⁴ The cost and effectiveness of any supplementation program for the working poor would be seriously affected by increasing unemployment.

Public Acceptability - Social assistance programs must reflect the values and objectives of society. Public recognition and commitment are an essential prerequisite for any meaningful assistance program.

The preceeding points are by no means an exhaustive list of the related variables and are only intended to illustrate some of the factors which affect the development of an appropriate supplementation program.

However it is not feasible to approach the problem of assisting the working poor in isolation from the existing income maintenance structure. A complete re-evaluation of the existing income maintenance structure is required, not only as a prerequisite for further development but also because of the unique problems of supplementation. Introduction of an income guarantee for fully employed persons would create a form of guaranteed annual income even if the existing structure were to be retained in its present form. Present social assistance programs provide income as a right to persons who are either outside the labor force or unemployed. (Old Age Security and Guaranteed Income Supplement provide for the aged; Family Benefits assists the blind, disabled, mentally retarded, some of the aged and single mothers; General Assistance is a program of last resort for persons who fall through the gaps in other systems.) Only Old Age Security and Family Allowances offer income as an unrestricted right; the remainder are selective providing assistance as a right, based on need. Introduction of a program providing assistance as a right to those who suffer from income deficiency would close the largest gap in the structure and, together with other social assistance measures, create a guaranteed income structure. Gaps would still exist, levels of support would vary and each program would retain its own eligibility criteria. Nevertheless the result would be an imperfect form of guaranteed annual income.

Therefore it is necessary to re-evaluate the entire income maintenance system in terms of a set of socially acceptable goals to ascertain whether the objectives can be best obtained through:

The introduction of a new program

The modification of existing programs

The development of a completely new and more effective income maintenance structure.

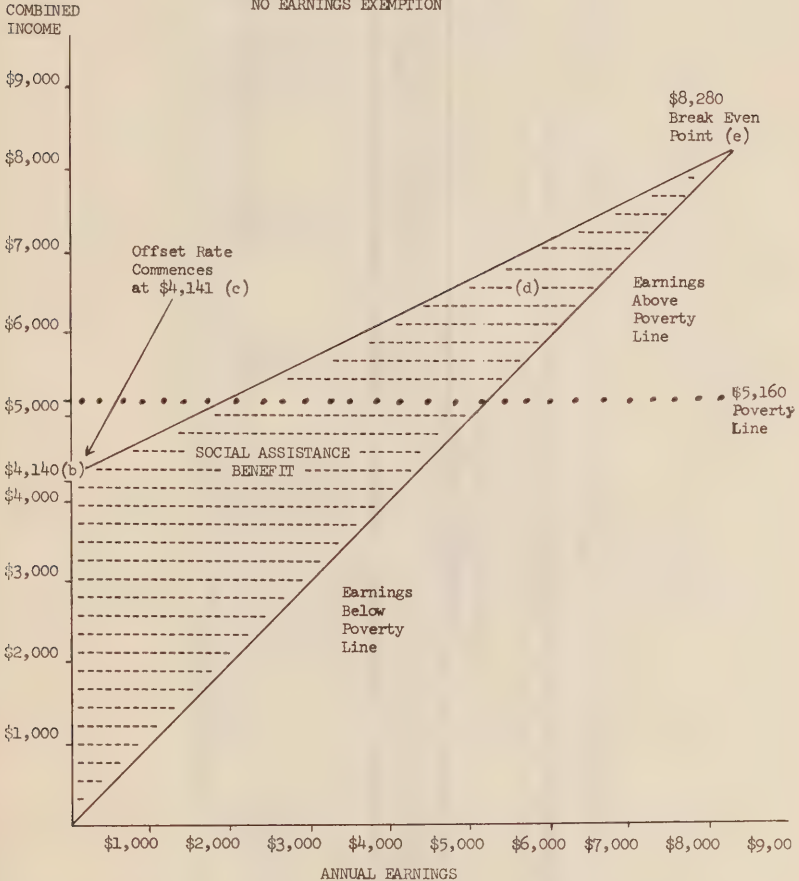
The question of assistance as a right for fully employed persons is essentially the question of a guaranteed annual income.

24. Cutt, James, "A Guaranteed Income - Next Step in the Evaluation of Welfare Policy?" Social Service Review, June 1968, p. 217.

CHART 2

HYPOTHETICAL APPLICATION OF ONTARIO SOCIAL ASSISTANCE PROGRAMS TO THE FULLY EMPLOYED (a)

POSSIBLE BENEFIT RANGE FOR FIVE PERSON FAMILY
FIFTY PERCENT OFFSET RATE
NO EARNINGS EXEMPTION



- (a) The example is based on The Family Benefits Act and incorporates the needs test, and the maximum needs level. The offset rate has been reduced from 75 to 50 per cent and the earnings exemption has been eliminated.
- (b) Maximum social assistance allowance of \$4,140 annually for a five person unit.
- (c) All income is affected by the offset rate. Allowances are reduced by 50 cents for each dollar of earnings.
- (d) Benefits paid to recipients with incomes above the poverty line.
- (e) The breakeven point, or point at which assistance ceases.

TABLE 13
HYPOTHETICAL APPLICATION OF ONTARIO SOCIAL ASSISTANCE PROGRAMS TO THE FULLY EMPLOYED (a)
COMPARATIVE NET INCOMES

FIVE PERSON FAMILY
FIFTY PER CENT OFFSET RATE
NO EARNINGS EXEMPTION

A	B	C	D	E	F	G	H	I
Gross Earnings	Needs Level (b)	Amount by Which 50 Per Cent Offset Rate Reduces Benefit (c)	Net Benefit (d)	Gross Income (e)	Taxable Income (f)	Highest Rate of Combined Marginal Tax (g)	Income Tax (h)	Net Income (i)
\$ 3,100	\$ 4,140	\$ 1,550	\$ 2,590	\$ 5,690	\$ -	50.00 %	\$ -	\$ 5,690.00
4,100	4,140	2,050	2,090	6,190	1,000	67.00	150.00	6,040.00
5,100	4,140	2,550	1,590	6,690	2,000	70.42	351.50	6,338.50
6,100	4,140	3,050	1,090	7,190	3,000	73.51	586.60	6,603.40
7,100	4,140	3,550	590	7,690	4,000	75.57	842.30	6,847.70
8,100	4,140	4,050	90	8,190	5,000	78.66	1,128.90	7,061.10
8,280	4,140	4,140	-	8,280	6,180	76.78	1,463.70	6,816.30(j)

- (a) The example is based on The Family Benefits Act, and incorporates the needs test and the maximum needs level. The offset rate has been reduced from 75 to 50 per cent and the earnings exemption has been eliminated.
- (b) Annual needs level for a five person family based on the \$345 maximum monthly allowance under The Family Benefits Act or the General Welfare Assistance Act.
- (c) Earnings subject to tax: 50 per cent of Column A = Column C.
- (d) Needs level - the amount by which benefits are reduced: Column B - Column C = Column D.
- (e) Combined earnings and net benefits: Column A + Column D = Column E (i.e., gross income equals combined earnings and net benefit).
- (f) Taxable Income = Gross Earnings - Exemptions and deductions: Column A minus total income tax exemptions and deductions. (Exemptions and deductions are: \$1,000 per adult; \$300 per child, \$100 medical/charitable, and \$100 miscellaneous for Canada Pension Plan, Union Dues etcetera. Total exemptions and deductions are \$3,100).
- (g) 50 per cent offset rate plus marginal income tax rate.
- (h) Calculated on taxable income at 1969 rates: amount of tax paid on earned income. Social assistance payments are not taxable.
- (i) Gross income less income tax: Column E - Column H = Column I.
- (j) Under this program the net income (Column I) of a fully employed person with gross earnings of \$8,280 a year would be only \$1,126.30 greater than that of a person earning \$3,100 a year.

IV. FUTURE OF INCOME MAINTENANCE

At present the income maintenance system consists of a variety of selective and universal programs operated by three levels of government. There are gaps and overlaps in coverage, payments are made to the non-poor and the programs are not effectively co-ordinated among themselves and with the tax system. Future developments in income maintenance are dependent upon a re-evaluation of existing programs, the establishment of short and long term goals and the application of modern research and policy evaluation techniques. These developments are dependent upon two key factors, information and co-operation.

It is necessary to understand a given problem and its variables in order to find a set of appropriate solutions. The Special Senate Committee on Poverty has received a large number of briefs from a wide range of sources during its hearings. The Committee has continually sought accurate and current data regarding the poverty problem. Despite the fact that a great deal of information has been developed there are large information gaps. There are no current statistics on family income patterns, much of the data consists of projections of refinements of 1961 census data or the 1965 and 1967 income distribution samples. Information concerning the working poor is almost completely lacking, it is doubtful whether any agency can provide current and accurate data concerning their numbers, expenditure patterns, characteristics, etcetera. The Department has examined this problem in some depth. The choice appeared to lie between the development of estimates based on obsolete data or to simply admit that timely and accurate data are not available. The Department has chosen the latter alternative with the intent of demonstrating the magnitude of the information gap. Accurate and timely information is a fundamental prerequisite for the evaluation of our existing program and the development of new programs.

The irony of this situation is apparent when one considers the range of information which is available from the Dominion Bureau of Statistics. It is possible to determine the number of greenhouses in the Province, the monthly production of soft drinks, quarterly statistics on the shipments of flush type doors (wood) by Canadian manufacturers and stocks, purchases and sales of scrap aluminum, brass, bronze, copper and magnesium. Accurate and highly current data is available concerning the Consumer Price Index, wages and salaries, and the labor force. Yet, there is virtually no data available concerning the working poor and the major source of data on poverty is the 1961 census. The census was not designed for this purpose, the next census will take place in 1971 and the data will not be immediately available.

The problem is simply that the information system has not been designed to produce the type of data which is required for an attack on poverty. It would also appear that all the available sources of information may not have been fully exploited. Current data concerning income distribution are not available and the major source of information on family incomes has been provided by Dominion Bureau of Statistics samples. The Federal Government has a number of exclusive data sources. Presumably computer tapes exist for the Old Age Security, Guaranteed Income Supplement, Family Allowances, Canada Pension Plan, Unemployment Insurance programs and other transfer payments such as War Veterans Allowances. If these tapes were made available in conjunction with income tax data from the Department of National Revenue it might be possible to "match" the data and obtain a much more current concept of family income distribution. The Province could provide some information concerning payments made under the Canada Assistance Plan.

The information gap is not confined to any single level of government. Although the Department has statistics concerning its own programs the data is

far from complete and it is necessary to develop data on the existing caseload. This problem is under review and the Department is redesigning its entire information system.

Future developments in income maintenance must involve basic decisions concerning:

Goals and objectives

The appropriate blend of income maintenance programs and

The respective responsibilities for development and operations

Financial arrangements.

These issues cannot be resolved unilaterally and co-ordination is essential not only in terms of major decisions but also such issues as research programs, standardized evaluation criteria and so on. Similarly, co-operation and co-ordination are necessary between various federal government departments. To this date, the required degree of co-operation has not been achieved, and the data output has been inadequate.

It is not possible to predict the form of future developments in income maintenance at this time.

Will developments take the form of additions to our existing program inventory?

Will Canada establish a national income floor under the Canada Assistance Plan which will be complemented by specialized programs for specific groups?

The key issue lies not in the form of the developments but rather in ensuring that an appropriate and effective set of programs are developed to meet the needs of the poor.

This goal cannot be obtained by modifying unsuitable programs to meet new needs and perpetuating old problems and reducing the effectiveness of the entire income maintenance structure. An appropriate income maintenance inventory can only be obtained through co-operation at all levels of government and evaluation of existing and future programs in terms of meaningful objectives in the light of accurate and timely information.

The development of an improved income maintenance structure will take time and some form of interim assistance is called for for the working poor. The Department is examining alternative methods of assisting low income families. It would appear that a selective payment to working poor families might be feasible. Payments could be related to family unit size and related to income levels. However there are a number of major unresolved problems as the data concerning both the working poor and possible side effects is extremely limited, no conclusions can be drawn at this time. While an interim program is essentially a short term measure it must meet all relevant program criteria without introducing any seriously undesirable secondary effects.

The development of an interim solution is also dependent upon other external factors. The Federal white paper on social assistance will be released shortly. The Province has not been consulted regarding its recommendations and it may have far-reaching implications which would affect the development of an interim program. Similarly, the possible extension of assistance to an entirely new segment of society re-emphasizes the necessity of reviewing the entire question of Federal-Provincial tax sharing. Future development in that area may well affect the potential form of future income maintenance programs.

V. SOCIAL SERVICES: PROVINCIAL PROGRAMS

Social service and income maintenance programs are not mutually exclusive, however, it is convenient to make a distinction between them. Some social services are concerned with care and sustaining individuals at their present level of functioning while others are aimed at helping them overcome their difficulties and handicaps. The following sections describing the impact of our social service programs on the alleviation and prevention of poverty are organized along departmental structure lines. Although many of the services are shareable under the Canada Assistance Plan, some are either not shared at all or are shared under other legislation.

A. Child Welfare and Children's Institutions

Services to children are provided for the most part by Children's Aid Societies and children's institutions. Children's Aid Societies are private corporations whose operating expenses are financed by municipal governments, the Province, and the federal government under the Canada Assistance Plan. There are 51 societies in Ontario, generally established to cover the geographical territory of a county or district (a number of counties have combined, there are 3 areas with 2 societies separated by religious affiliation, Metro Toronto is not part of a county). Children's institutions are operated by private agencies such as religious orders, the Salvation Army and the Big Sisters. They provide a range of services from board and lodging through to treatment of the emotionally disturbed child. At present there are 30 institutions in operation with a capacity of 658 children. Local associations for retarded children operate residential homes for the retarded child. This legislation is relatively new, at present 23 corporations have been approved and eight homes are now in operation. The capacity of these homes is 115 beds. Most direct government services for the mentally retarded are, of course, provided by hospitals, schools and other facilities of the Ontario Department of Health.

The principal services supervised by the Child Welfare and Children's Institutions Branches are:

- adoptions,
- prevention, protection, treatment care and maintenance of children,
- help to unmarried mothers.

Adoptions and help to unmarried mothers have little relation to poverty. Treatment services for emotionally disturbed children are being transferred to the Department of Health and will no longer be our concern; therefore an examination of their relation to poverty has not been included here.

In 1966 new child welfare legislation came into effect, the principal changes being emphasis on preventive services, introduction of staffing standards and entirely public financing. This new Act provides that membership of the Board of Directors and Executive Committee of the Children's Aid Society is to include four municipal representatives so that those who pay for the services participate in establishing policies; this arrangement was to ensure co-ordination with other welfare services of the municipality.

Protection services are undertaken by Children's Aid Societies when parents fail to meet their responsibilities to their children. Children may be physically abused, neglected physically and emotionally, or inadequate attention may be paid to their health and education, their home may be an unfit place for them to live or their parents may be unable to care for them properly. Protection services are carried out by social service staff of the Societies; the objective of supervision and counselling is to ensure adequate care for the child and to help the family function more effectively. If this cannot be

achieved, the child is removed from his home and taken into care as a ward of the Children's Aid Society.

Unfortunately no income distribution statistics are available on families to whom Children's Aid Societies provide family counselling and protection services. Rough estimates which have been provided based on the personal knowledge of the staff of the provincial Child Welfare Branch indicate that most prevention resources are directed to low income families. These families appear to have somewhat different structures than the community generally, i.e., many are one parent families (where there are two persons living together they may not be married.) It is also believed that many suffer from intermittent employment, insecure marginal incomes, and some of them have to depend from time to time on social assistance. Many problems giving rise to intervention by Children's Aid Societies occur among persons with a relatively low socio-economic status. The average number of children in a prevention case is almost three. Undoubtedly much work needs to be done in obtaining background information on the clients of protection services of Ontario Children's Aid Societies. If poverty is one of the causes of the environment in which child abuse and neglect occur, then one must be realistic about what can be accomplished in alleviating it, by counselling and prevention services. While they may prevent further deterioration in the family situation and enable the child to remain living at home they do not deal with the economic condition of the family, that is they are not equipped to provide training courses, basic upgrading and related benefits. If parental behavior problems are another cause of child abuse and neglect, the results to be expected from prevention and counselling services depend on the capacity of staff members to diagnose and treat the social and psychological difficulties of their clients. Evaluation of protection, prevention and counselling services is difficult to achieve because the standards against which they are to be judged are not explicit.

When prevention and protection are impossible or likely to be unsuccessful in-care services are the alternative. However, it should be noted that most children admitted to care of Children's Aid Societies do not come through this route, but are the infant children of unmarried parents. Other than infants, those coming into care in recent years tend to be older children with emotional problems which require group care or expensive institutional treatment. About one half of all the children in care in any one year are adopted, the remainder are either eventually returned to their families or wardship ceases at age eighteen. Over 60 per cent of all of the children in care at any one time are in foster homes, 20 per cent are on adoption probation and the remainder are in group homes or other institutions. Approximately one quarter of the net expenditures of Children's Aid Societies are board for foster children and all services to children in care account for about one half. Foster home rates are established by each Society, as are clothing allowances and spending allowances; amounts vary locally and with the age and sex of the child. Twenty-six of the 51 societies operate group homes; rates for care in these are established locally. Per diem rates in children's institutions are established by the Province. (About 5 per cent of the children in care are disturbed and in need of institutional treatment care, about 3 per cent are mentally retarded.)

A table listing the Children's Aid Societies and indicating the provincial and municipal share of their operating expenditure may be found at the end of this section. It is evident that there is a wide range in size and complexity of operations. Children's Aid Societies employed 2,075 persons at the end of 1968, providing service to about 102,400 children. The smallest society employed 5 persons, the largest 550. Six societies had no professionally trained staff.

Services are provided to detached youths through the Children's Institutions Branch. For instance, one institution assists young women just released from reformatories and another is a group residence for young women aged 16 to 22.

Financing of services to children is provided by three levels of government. In addition, many of the private agencies which operate institutions for children make a financial contribution.

TABLE 14
EXPENDITURES OF CHILDREN'S AID SOCIETIES
1968

	Total Expenditure	Provincial Share		Municipal Share	
		Amount	%	Amount	%
Algoma	\$ 294,547	\$ 244,657.	83.0	\$ 49,890.	17.0
Brant	438,536	346,490	79.0	92,046	21.0
Bruce	173,671	140,008	80.6	33,663	19.4
Dufferin	77,155	53,657	69.5	23,498	30.5
Elgin	154,918	115,481	74.5	39,437	25.5
Essex C.A.S.	1,208,424	853,925	70.7	354,499	29.3
Essex R.C.	1,049,915	748,594	71.3	301,321	28.7
Frontenac	418,747	307,779	73.5	110,968	26.5
Grey	169,665	121,739	71.8	47,926	28.2
Haldimand	86,472	63,413	73.3	23,059	26.7
Halton	252,746	185,990	73.6	66,756	26.4
Hastings	374,148	266,978	71.4	107,170	28.6
Huron	158,745	109,072	68.7	49,673	31.3
Hamilton C.A.S.	1,480,696	1,079,641	72.9	401,055	27.1
Hamilton R.C.	764,522	593,259	77.6	171,263	22.4
Kapuskasing	231,763	202,826	87.5	28,937	12.5
Kawartha-Haliburton	300,175	241,307	80.4	58,868	19.6
Kenora	277,293	250,524	90.3	26,769	9.7
Kent	214,154	155,013	72.4	59,141	27.6
Lambton	267,158	206,234	77.2	60,924	22.8
Lanark	106,899	78,568	73.5	28,331	26.5
Leeds & Grenville	204,797	151,010	73.7	53,787	26.3
Lennox & Addington	54,243	37,973	70.0	16,270	30.0
Lincoln Welland	1,086,327	758,318	69.8	328,009	30.2
London & Middlesex	1,640,162	1,287,932	78.5	352,230	21.5
Manitoulin	129,522	121,068	93.5	8,454	6.5
Muskoka	169,509	115,282	68.0	54,227	32.0
Nipissing	245,188	186,081	75.9	59,107	24.1
Norfolk	298,638	208,214	69.7	90,424	30.3
Northumberland & Durham	204,792	148,007	72.3	56,785	27.7
Ontario	612,731	447,103	73.0	165,628	27.0
Oxford	150,574	115,462	76.7	35,112	23.3
Ottawa-Carleton	2,892,846	2,204,416	76.2	688,430	23.8
Perry Sound	178,255	143,051	80.3	35,204	19.7
Peel	439,118	323,343	73.6	115,775	26.4
Perth	197,269	136,972	69.4	60,297	30.6
Porcupine & District	271,167	194,642	71.8	76,525	28.2
Prescott & Russell	183,597	122,250	66.6	61,347	33.4
Prince Edward	162,583	106,485	65.5	56,098	34.5
Rainy River	150,849	122,223	81.0	28,626	19.0
Renfrew	265,280	191,936	72.4	73,344	27.6
Simcoe	350,391	244,344	69.7	106,047	30.3
Stormont, Dundas, Glengarry	372,236	266,962	71.7	105,274	28.3
Sudbury	853,165	665,727	78.0	187,438	22.0
Temiskaming	245,003	189,963	77.5	55,040	22.5
Thunder Bay	676,736	519,975	76.8	156,761	23.2
Toronto C.A.S.	9,536,518	7,406,009	77.7	2,130,509	22.3
Toronto R.C.	5,331,098	4,116,301	77.2	1,214,797	22.8
Waterloo	846,798	618,015	73.0	228,783	27.0
Wellington	429,760	294,584	68.5	135,176	31.5
York	438,890	322,467	73.5	116,423	26.5
Total	37,118,391	28,131,270	75.8	8,987,121	24.2

COMPARATIVE STATISTICS
CHILD WELFARE

Protection Work Caseload

	1960	1961	1962	1963	1964	1965	1966	1967	1968									
	Cases	Cases	Cases	Cases	Cases	Cases	Cases	Cases	Cases									
Children	Children	Children	Children	Children	Children	Children	Children	Children	Children									
Receiving service at beginning of year	7,453	19,389	7,670	20,702	8,438	22,566	8,257	22,847	8,506	23,833	8,349	24,038	8,128	22,458	9,836	27,368	11,069	30,823
New cases	9,144	24,396	8,170	21,332	7,312	19,097	7,419	19,158	7,501	20,541	7,805	20,143	11,579	30,584	11,505	29,021	11,318	28,207
Cases re-opened	2,117	6,624	3,129	9,398	3,134	9,983	3,023	9,540	3,084	9,960	2,970	9,199	3,680	11,260	4,853	14,644	4,240	12,908
Children transferred to protection from in-care service	—	2,547	—	2,694	—	2,736	—	3,135	—	3,261	—	3,021	—	3,517	—	4,152	—	4,027
Total open cases	18,714	52,956	18,969	54,066	18,884	54,381	18,699	54,680	19,091	57,595	19,124	56,401	23,387	67,819	26,194	75,185	26,627	75,965
Children transferred to in-care from protection	—	3,718	—	3,830	—	3,907	—	4,244	—	4,553	—	4,523	—	5,299	—	5,682	—	5,929
Cases closed	—	11,044	—	27,627	—	27,627	—	26,603	—	29,004	—	28,420	—	35,152	—	38,680	—	38,860
Total cases and children at end of year	7,670	20,702	8,438	22,566	8,257	22,847	8,506	23,833	8,349	24,038	8,128	22,458	9,836	27,368	11,069	30,823	11,518	31,176
Children in Care																		
In care at beginning of year	14,652	14,188	14,041	13,584	13,706	14,359	15,222	16,487	17,643									
Admitted during the year	7,615	7,710	7,943	8,478	8,596	8,881	9,216	9,855	10,272	11,120	11,428	11,641	11,079	9,855	10,272	11,055	11,075	11,075
Discharge during the year	8,079	7,857	8,400	8,596	8,881	9,216	9,855	10,272	11,055	11,428	11,641	11,079	9,855	10,272	11,055	11,075	11,075	11,075
In care at end of year	14,188	14,041	13,584	13,706	14,359	15,222	16,487	17,643	18,229	19,079	20,272	21,465	22,658	23,851	25,044	26,237	27,430	28,623
Total number receiving in-care service	22,267	21,896	21,984	22,302	23,240	24,438	26,342	27,915	29,284									
Total number children receiving in-care service and protection during year	72,676	73,330	73,689	73,847	77,574	77,818	90,644	98,948	101,222									
Children's Institutions																		
Number of non-wards of Children's Aid Societies in residence during year	861	944	927	771	751	911	1,111	1,126	1,158									
Total number of children to whom service provided during year	73,537	74,274	74,556	74,618	78,325	78,729	91,755	100,074	102,380									

B. Family Services

This branch was established in 1968 to assist recipients of Family Benefits in achieving economic independence or to help them function more effectively. This is a family counselling service for social assistance recipients. The recipients who benefit most from these services are mothers with children. Counselling is given to help with marital problems, budget management, conflicts with employers, housing, employment and other social and domestic problems. Cases are referred from field staff to the counsellors who screen and assess the potential of the recipient. Some experimental projects have been carried out to assess the relative effectiveness of various methods of delivering this service. At present there are about 25 persons on staff, of whom 18 are professional social workers in direct service positions.

This program is still in a developmental stage and it will continue to be expanded.

C. Day Nurseries

Day nurseries are operated by either municipal governments or private groups. In areas without municipal organization the Department may establish nurseries. The Department licenses and inspects nurseries unless they are part of the educational system. In addition financial assistance is available through public agencies to encourage the establishing of new nursery places.

Nurseries which provide all day care for children are referred to as "day care centres." A "day nursery" offers day care to children between the ages of 3 and 10 for periods of less than twenty four hours. "Nursery School" is a term often applied to half day nursery programs. The Department licenses nurseries for children: the usual age range is 2 - 5. Some nurseries provide day care for children 6 - 10, beyond the normal school attendance period.

Nurseries must provide various play facilities for children in accordance with the length of attendance and their age levels. Where children are in care all day, a hot meal is required at noon and other nourishment as needed. The Department assists operators by advising them on the social and recreational programs which may be appropriate.

Nurseries are financed by provincial grants, municipal expenditures and fees paid by parents. Private nurseries under contract may have other sources of income such as community funds. Responsibility for the operation of the public nursery program is at the municipal level. A needs test is applied to the family to establish the portion of the fee which they are able to pay. This test is somewhat similar to that used to determine eligibility for special assistance under The General Welfare Assistance Act. Assets are considered but no limits are defined so that each municipality may establish its own criteria. Budgetary needs include many items not considered in the pre-added budgets of social assistance programs such as debts, dental services and drugs. Available income, which is deducted from needs to determine ability to pay, includes monthly net earnings and other sources of income; 25 per cent net monthly earnings of the family are exempted for contingencies. If the available income is less than the cost of nursery services, the nursery fee schedule may be subsidized and in some instances may be eliminated altogether. Municipalities apply this test to the nurseries they operate and when services are purchased the private nursery operator applies the test.

Unfortunately no statistics are available on the proportion of children in public day nurseries who are fully or partially subsidized. Nor is there any information on the characteristics of parents who use these services, their family structure, their income levels, whether or not the mother works and other similar data.

Private proprietary day nurseries are not subsidized. The Province licenses them, inspects the physical plant and advises on play and other activities for the children. Almost 9 out of every 10 nurseries are operated as private services.

At the end of 1969, there were 625 nurseries in operation. A number of municipalities operated nurseries or had contracts for services with private operators.

D. Programs for the Aged

Services for the aged are provided for the most part in the form of residential care in homes for the aged. Such institutions are either municipal institutions or are operated by private agencies such as fraternal organizations and religious groups. At the beginning of this fiscal year there were 77 institutions operated by private charitable agencies and 76 municipal homes; together they have a capacity in excess of 20,000 beds. Municipalities are required to establish and maintain homes for the aged, either by themselves or in co-operation with other municipalities. Generally, it is the county which establishes the home for the aged or in northern Ontario the district (one district has not done so to date). Cities may operate their own homes and many of the larger ones do, however it is not uncommon for them to operate homes jointly with the county. When a by-law is passed in a territorial district authorizing the establishing and maintenance of a home, all municipalities are required to contribute to it. Indian bands may also operate homes for the aged, however no band has established one to date. Charitable groups must seek the approval of the Department both as corporations and for their institutions before they are able to receive grants.

The principal services provided in these institutions are supervised sheltered residential care. It has been the policy of the Department to separate facilities in the home for persons who are senile, those who need some nursing care and are confined to bed and those who need minimal care and supervision. Both municipal and private institutions are required to provide certain minimum medical services to residents. A physician for the home must be appointed to see that the residents receive periodic examinations, x-rays and other care. Emphasis has been changing from residential supervision to include provision of social and recreational services, handicrafts and other activities. Staff trained in the techniques of reactivating the handicapped are being employed in greater numbers. Some of the private organizations have developed group programs and have extended professional services into the community to help persons remain in their homes longer. The Department has advisers on staff to help develop these programs; some of the specialties are crafts and social work. Most direct care services in the homes are provided by attendants on the staffs of the institutions.

The council of a municipality establishing a home appoints from among the members of the council, a committee of management for the home. In this way the home for the aged is integrated with other municipal welfare services. There are no requirements for public representatives on the boards of management of private institutions.

Few statistics are available on the characteristics of residents in homes for the aged. A needs test is applied by local municipal welfare administrators and a great deal of information is compiled. Unfortunately this data is not centralized in any one place. An application form is completed and medical data assessed for each person seeking admission. Admissions are based on the need for care as well as on the resources a person has with which to maintain himself. Policies on admissions are established locally. On the basis of assets and resources, monthly payments by an individual for care in the home are arranged. With the lowering of the age for eligibility for Old Age Security most residents now have some income with which to assist in maintaining themselves. A comfort allowance of \$15 is provided; other income and assets are available for maintenance of the resident.

The impact of the homes for the aged program on the relief of poverty is difficult to assess. Undoubtedly these institutions provide essential services to those who are no longer physically able to care for themselves. The objectives of the service are not exclusively to provide help to those whose incomes are low. Almost one half the operating expenses of municipal homes are covered by receipts from paying residents, while in the private institutions 75 per cent comes from this source. Perhaps it is not really

relevant to assemble statistics on the income levels of residents in these homes in order to measure the poverty "gap", for service support is more significant in the program than income support.

The financing of the homes for the aged program is provided by three levels of government. In addition many of the private agencies which operate institutions make a financial contribution toward the capital and operating costs of the homes.

In addition to the provision of homes for the aged there are a few other programs of benefit to the elderly. These are outlined briefly below.

(1) Rest Homes - These are for persons in need of long term maintenance, not necessarily or exclusively elderly people, however; services are for those who are unable to care for themselves but who do not need treatment in a hospital. Nursing care standards are somewhat higher than in a home for the aged. Seven such homes are in operation.

(2) Boarding Homes - Private home care is now being provided to some elderly persons through municipal welfare departments. This care is in lieu of admission to a municipal home for the aged.

(3) Elderly Persons Centres - These are established by private agencies such as Lions' Clubs to provide social and recreational services to elderly people during the day. Activities typically include games, entertainment and crafts. Meals may be provided and a place to rest.

The Homes for the Aged Branch also supervise several half way houses for released prisoners. These are operated by private agencies.

E. Vocational Rehabilitation

Vocational rehabilitation is designed to assist physically and socially disabled persons to be more self sufficient and to help them become gainfully employed. It is a public service provided by the Province to help handicapped persons. Services are available to persons ordinarily resident in Ontario who have physical or mental disabilities which prevent them from earning a living. Several basic approaches to rehabilitation are included in the program so that counsellors can develop a plan based on an individual's capacities and needs.

(1) Assessment - Social, medical and psychological needs are assessed to determine whether or not an individual can benefit from the program, and to develop the rehabilitation services likely to be required. Assessment is undertaken by counsellors in the Department in consultation with the person's physician, psychologists, teachers, employers, hospital personnel and others.

(2) Counselling - Professionally trained counsellors assist the handicapped persons in choosing an employment goal. A counsellor is available throughout the period during which such services are needed.

(3) Medical Restoration - Appliances are made available to take the place of a part of the body or to improve hearing. In spite of the fact that many persons have been receiving medical treatment before they come on to the program, the demand for appliances is high. Medical, surgical and psychiatric treatment are also available to help restore the capacity of a disabled person.

(4) Vocational Training - Training is provided by business and trade schools, vocational schools, community colleges, universities and sheltered workshops. There is no limit on the time that may be spent. Tuition costs are covered by the program. It is estimated almost 10,000 disabled people will receive training in this fiscal year.

(5) Employment placement - Much of the placement function is carried out by counsellors of the Department of Manpower and Immigration. However, many require specialized employment services not generally available from Manpower Centres.

(6) Maintenance and Transportation Allowances - These are available to pay for the living expenses of a disabled person and his family if he is unable to take advantage of rehabilitation services without financial assistance. An asset test is applied: the disabled person must have less than \$1,000 in liquid assets plus \$200 in addition, for each dependent. Detailed statements are taken from persons applying for a maintenance allowance, concerning their income, living expenses, personal and real property and debts. Monthly allowances are paid to eligible persons; the amounts paid are \$147 for a single person, and \$315 for a person with dependants. Extra maintenance allowances are available if a person is required to move in order to benefit from training. Transportation allowances are available to cover travel, accommodation and meals for the disabled person and an escort, if one is necessary; these are available when the person who is to receive the training is required to be absent from his home or to change his place of residence and needs the financial help.

(7) Tools and Equipment - Tools and equipment are available where they are necessary to enable trainees to obtain a job (for instance as a barber).

In addition to the foregoing services vocational rehabilitation clients also receive free hospital and medical insurance.

The number of persons receiving rehabilitation services has been increasing at a rate of about 20 per cent per annum. There is a staff of 124 providing such services, of whom more than 60 per cent are in direct service positions. The degree of severity of problems among recipients of the service has been increasing; in 1964-65 only about 57 per cent of the successfully rehabilitated clients received services of over one years duration; in 1968-69 this group accounted for 70 per cent of rehabilitation clients (of this group 33 per cent received services of over two years duration). Younger clients and persons with psychiatric disorders now make up a substantially greater proportion of the caseload than they did several years ago. These tend to be the clients requiring the most help.

In some instances the Department purchases counselling services. Certain disabilities require specialized knowledge e.g., the blind, the deaf, the retarded and paraplegics. Subsidies are paid to the Canadian Hearing Society, the Ontario Association of the Mentally Retarded and the Canadian Paraplegic Association for rehabilitation counselling.

In addition to direct services to disabled persons, the vocational rehabilitation program also assists various private, non-profit organizations who assist the disabled. Advice and guidance is given to them in developing programs and co-ordinating their activities. Sheltered workshops are assisted where the severely handicapped can be employed; sheltered workshops are also used for assessment purposes to determine the potential of individuals.

At the beginning of this fiscal year there were 61 approved organizations, operating 89 sheltered workshops with a capacity of about 2,500 persons.

TABLE 15
GENERAL CHARACTERISTICS OF TRAINING
1968-69

	Number	Percent
MAINTENANCE DURING TRAINING		
Receiving allowance	732	65.2
Not receiving allowance	391	34.8
LOCATION OF TRAINING		
Toronto	336	29.9
Elsewhere	787	70.1
LENGTH OF COURSES OF TRAINING		
0 - 6 months	605	53.9
6 - 12 months	369	32.8
12 - 24 months	79	7.0
25 months and over	70	6.3
TYPES OF COURSES		
Semi-skilled	53	4.7
Clerical	85	7.6
Technical and Skilled Trades	78	6.9
Professional	135	12.0
Academic Upgrading	180	16.0
Service Trades	51	4.6
Language	8	0.7
Work Adjustment Training	533	47.5
SOURCE OF REFERRAL		
General Hospitals	148	13.2
Ontario Hospitals	99	8.8
Private Health and Welfare Agencies	525	46.8
Canada Manpower Centres	145	12.7
Municipal Departments of Public Welfare	45	4.0
Ontario Department of Social and Family Services	28	2.5
Self	68	6.0
Other	65	5.8

TABLE 16
SUMMARY OF PERSONS REHABILITATED
1968-69

	Number	Percent
AGE GROUPS		
Under 21 years	69	7.2
21 - 30 years	505	52.8
31 - 40 years	150	15.7
41 - 50 years	122	12.8
51 - 60 years	75	7.8
Over 60 years	35	3.7
SEX		
Male	529	55.3
Female	427	44.7
OCCUPATION AFTER REHABILITATION		
Professional and Managerial	72	7.6
Sales and Clerical	190	20.2
Service Occupations	112	11.8
Sheltered Workshops	94	9.9
Agriculture, Fishery, Forestry and Semi-skilled	165	17.4
Housewives	143	15.2
Skilled Occupations	112	11.8
Unskilled	58	6.1
DURATION OF SERVICES		
Under 6 months	87	9.2
6 - 12 months	203	21.2
12 - 24 months	352	36.8
Over 24 months	314	32.8

F. Legal Aid

Ontario's legal aid plan came into effect on March 29, 1967. Its purpose is to ensure that no resident of Ontario is denied the services of a lawyer before the courts because of lack of money. Legal representation is available in criminal cases and appeals and in certain civil proceedings. Applications for legal aid may be made through any lawyer in the Province, to lawyers on duty in the courts or to an Area Director under the plan.

The Department of Social and Family Services assesses the financial needs and resources of persons referred by the Area Directors; field workers in district offices examine income, living expenses and assets. Tests applied are similar to those developed for social assistance programs but include more items such as debts. In addition the applicant's equity in real property is determined and included in his resources, when this is beyond a certain value. These factors determine whether or not the client is eligible, and if he is whether he receives full or partial assistance.

In York County the legal aid assessment function is located close to the Area Director's Office; in other areas the staff are attached to our field offices. Most recommendations are made locally; however some more difficult cases are referred to a central office for review. The assessment indicates the amount that can be paid and the time over which it should be collected. All welfare recipients are automatically eligible; applications are not referred for assessment when the charge for legal services is likely to be small. Area Directors are not bound by the assessment recommendations made by this Department. Generally, Area Directors provide an estimate of the legal costs at the time that an application is referred. Frequently persons applying for legal aid need other services such as debt counselling, family counselling or social assistance; referrals to community agencies are made by our field staff.

A brief review of some of the statistics in the annual report on the legal aid plan, issued by the Law Society of Upper Canada may be of interest.

In 1967-68, the first year of operation, the Province contributed \$3,890,000 and in 1968-69 \$7,032,000 to the plan. In 1967-68 there were about 55,000 applications for legal aid certificates, in 1968-69 about 58,000. In 1967-68 48 per cent of the certificates issued were for criminal cases and 52 per cent for civil cases; the distribution was approximately the same for 1968-69. The most significant change in the two years is the number of people assisted by duty counsel i.e. 67,200 in the first year, 79,600 in the second.

An analysis of completed cases for the year ended March 31, 1969 may be found at the end of this section. The most frequent criminal cases involved theft, break and enter, possession of stolen property; the most frequent civil cases involved domestic matters.

Costs of this program are born by the Province.

TABLE 17

THE ONTARIO LEGAL AID PLAN
ANALYSIS OF COMPLETED CASES BY
TYPE OF AID FOR THE YEAR ENDED
MARCH 31, 1969.

Type of Aid	Number of Cases	Total Fees and Disbursements	Average Cost Per Case
CRIMINAL		\$	\$
Unlawful Homicide	131	181,093	1,382.39
Robbery	752	225,986	300.51
Theft, Break and Enter, Possession of stolen property	7,095	1,093,115	154.07
Drunk and Impaired driving	1,587	160,176	100.93
Other Motor Vehicle offences	2,026	206,539	101.94
Narcotics	573	139,755	243.90
Assault	807*	126,003	156.14
Fraud, False Pretences	435*	74,965	172.33
Other	6,030	1,003,649	166.44
CIVIL			
Divorce	1,613	646,339	400.71
Other Domestic matters	6,272	610,212	97.29
Motor Vehicle Negligence	285	63,988	224.52
Consolidations, etc.	350*	22,213	63.47
Other	3,762	442,816	117.71
LEGAL ADVICE	522	18,351	35.16
TOTAL COMPLETED CASES	32,240	5,015,200	155.56

*NOTE: Cases of Assault, Fraud and False Pretences, and Consolidations are reported only from January 1, 1969. Prior to that date these categories were included under Other.

G. Homemakers and Nurses Services

There are services provided to individuals in their own homes to enable them to remain there. Homemakers services are furnished to homes where there are children under 16, during the absence or convalescence of their mother; there must be an adult available to care for the child when the homemaker is off duty. Nurses services may be furnished when a physician certifies that they are necessary to enable a person to remain at home or return home from a hospital. Nurses are defined as registered nurses; homemakers may have a certificate or if not have training acceptable to the welfare administrator.

In addition to homemaking services, some municipalities themselves hire teaching homemakers to assist particular families on social assistance. They go into a home to show a mother by example how to improve her ability to cook, manage her household and look after her home.

Homemakers services may be provided by a municipality directly by hiring staffs of trained personnel or they may purchase the service on a fee for service basis from private homemakers associations. The majority of visiting homemakers are privately employed by such organizations as the Red Cross and the Visiting Homemakers Association. Nursing services are usually purchased from the Victorian Order of Nurses or the St. Elizabeth Visiting Nurses Association.

Applications for services are made to the local welfare administrator. A needs test is applied to determine what part of the fee a client is able to pay. This test is similar to that used to determine eligibility for special assistance but somewhat more generous; More items included in the definition of requirements and in addition 25 per cent of net monthly earnings may be excluded from available income. Asset tests are not defined. A person in need is not required to pay the full fees; social assistance recipients are automatically eligible for services of homemakers and nurses.

If the municipality supplies homemakers services itself, no needs tests are required. In 1968-69 about 6,200 families received homemakers services and about 14,800 received nurses services.

The Province makes annual grants to the Victorian Order of Nurses and the St. Elizabeth Visiting Nurses Association for general purposes.

VI. SOCIAL SERVICES : MAJOR CHALLENGES

A. Role of Private Agencies

In the last decade there has been a pattern of an increasing injection of public funds into privately operated social service agencies. In 1966 operating expenditures of Children's Aid Societies became entirely financed from public sources. Legal Aid came into effect in 1967: over 90 percent of the funds sustaining the plan are provided by the Province. Subsidies have been increased for such services as day nurseries, homemakers and visiting nurses. Family counselling services for welfare recipients have been initiated by the Department. Vocational rehabilitation services are expanding at both the government level and through grants and purchase of service agreements with voluntary organizations. Social services are being extended into the community by homes for the aged and the financing of these is being at least in part provided from public sources.

The quality of services expected by the public is rising. Homes for the aged programs in recent years have been developed to include recreational services, adjuvant services, and other social activities. Similar examples of rising expectations could be selected from almost every other social service sector. Demands for services are outstripping the resources of the public treasury; however since financing comes from citizens who are both taxpayers and subscribers to community funds, there are restraining influences built into the system.

An expanding role for the state in financing the development of social services generally, suggests that it must become more active in policy making and planning for the provision of programs and facilities. For instance at the present time there are 51 privately operated publicly financed Children's Aid Societies of varying sizes, at various levels of development, which provide family counselling services. They supply a variety of professional, consultive and preventive services. In particular they have a statutory responsibility to protect children from abuse and neglect. Juvenile probation officers also provide counselling services to families with children in trouble; after release from training schools, rehabilitation personnel perform a similar function. At the local level boards of education and public health units have been developing counselling services to families in their own homes. In some areas municipal welfare departments have initiated family counselling programs.

Recently associations and organizations traditionally supported by the private sector have been having exploratory meetings with the Department to see if public funds might be available to them in financing their present services and in expanding into new programs.

Similar examples of the complex interrelationships between private agencies and various government departments may be found in most social service program areas. Generally, where the Province has provided capital grants it has become involved in the development of local social services and in establishing guidelines and evaluating priorities. This may be seen by contrasting the deep involvement of the Province in the homes for the aged program at the local level with the role it has played in the provision of family counselling services.

Co-ordination of services is a major concern. At present, one aspect of a social problem is the concern of one agency and another aspect of the same problem is the concern of another agency in another place. Co-ordination at the delivery level between public and private agencies has not always been too effective: co-ordination at the planning level has been even less efficient except in some aspects where large capital investments have been required.

Private voluntary social service agencies appear to face a future in which they must seek out more public financing and consequently accept a greater degree of public intervention in their internal operations. The future role of the state and what limits should be set on its authority are key

questions. As public financing becomes more substantial so does the requirement for public accountability. Reports to legislatures on how public funds were spent, to what end and with what result, are part of our governmental process. This can only be accomplished by governmental examination of the effectiveness of the internal operations of private social agencies receiving public financing. The problem then is one of determining the most appropriate degree of public accountability.

A clarification of the roles of private agencies and government departments seems to be indicated. At the operating level the tendency to fragment and subdivide functions needs to be examined to see if more effective organizational patterns could be devised. At the delivery level ways of co-ordinating existing services is a basic issue.

B. Role of Municipal Governments

All municipalities must provide care homes for the aged and they are all required to contribute to the operating expenditures of Children's Aid Societies. Otherwise the development of municipal social services is left to local initiatives. If municipalities provide social services such as day nurseries or homemakers services, the Province subsidizes them. A recent local government review commented on the scarcity of services as follows:

A good deal of the difficulty arises from the municipalities' lack of interest in welfare services. This can be explained in part by their feeling that their revenue resources are inadequate and inappropriate for welfare services; part of it is due to Canada having only recently become a heavily urbanized country so that there is no strong tradition of welfare as a local service; and in part it is due to the fragmentation and voluntary provision of welfare services, with children and family services and homes for the aged each dealt with by special arrangements unrelated to the general welfare service.¹

The Smith Committee (Ontario Committee on Taxation) commented on the problems of local welfare services and in particular on the geographical discrepancies in levels of service. They advocated that child welfare programs and homes for the aged programs be incorporated into a regional government welfare service department, and that the financial arrangements for both services be altered.²

Altering local government responsibilities for the provision of social services raises issues which go well beyond the purview of the Department of Social and Family Services into the broad area of municipal finance. The problem of who should do what in this field is inextricably related to who should pay for what.

One of the objectives of local government reform in this province is to rationalize the structure of municipal finance. Municipalities must have a resource base large enough to enable them to meet their responsibilities. While the Province has been giving increasing financial support to the municipalities, it in turn is concerned about the necessity for altering fiscal arrangements between itself and the federal government. In short, re-arranging responsibility for social services between the Province and municipalities is only part of a much more far reaching requirement for tax-sharing reform between the three levels of government.

In addition to the problems of organizing and financing municipal social services there are other important issues. One of these is which services should continue to be optional and which ones obligatory. Social conditions are changing; and some services which historically were left to be implemented at the discretion of local officials are now more important to society. Should the services of visiting homemakers be available generally?

1. Fife, Stewart, Waterloo Area Local Government Review, Toronto: Department of Municipal Affairs, 1970, p.91.

2. The Ontario Committee on Taxation. Report, Toronto: Queen's Printer, 1967, Vol. II, p. 427.

Rather than the Province supplying social services itself it has given grants and subsidies to municipalities and voluntary agencies to enable them to develop programs. Advice, building standards, inspection and licensing have been typical provincial functions. Such almost mutually exclusive roles may no longer be suitable; there may be social services which should be entirely sustained by the Province and perhaps some advisory and inspection functions would be more effective if delegated. As noted in the local government report quoted previously there has not been a tradition in Canada of municipal social services. With the introduction of larger local government units in Ontario there may be an opportunity to take a new look at this arrangement.

C. Role of the Semi-Public Agencies

Studies of the structure of local municipal government in Ontario have brought to public attention variations in the standards of services provided by semi-public agencies within the local review area and across the Province. These reports have examined the relationship between the two levels of government and the agencies, both from an organizational and financial point of view.

Local autonomy and local self determination of social service needs were the accepted philosophy until recently. Even now it is not clear what degree of equalization of access to social services is desirable. Children's Aid Societies' standards of service vary and indeed it appears there is not a common understanding among the Societies themselves regarding the scope of their functions. In recent years, as financing for family counselling services became more difficult to obtain from Community Funds, some Family Service Associations have been absorbed by the local Children's Aid Society. Organizers of Community Funds have recommended to their member organizations that since their activities fall within the scope of activities of the Children's Aid Society, they seek additional funds from them.

In many areas of the Province there are few semi-public agencies to provide social services. Facilities for children who need institutional care need to be extended; not all Children's Aid Societies have group home facilities. Visiting homemakers' and visiting nurses' services are not available everywhere.

To what degree social services should be a matter of local self determination is a matter that is receiving attention.

D. Manpower Problems

Remedial education and training programs are for the most part administered by other governments and other departments; the exception is our own vocational rehabilitation service. In Canada the employment service comes under the federal Department of Manpower and Immigration; and this Department also operates adult retraining programs.

While there are aspects of Manpower training programs which could be altered to improve their effectiveness, it is not these problems which are of greatest concern. In common with many other critics of Manpower, the Department of Social and Family Services does find that rules regulating eligibility for admission and eligibility for allowances under the Occupational Training for Adults program create difficulties.

However a more fundamental weakness in the employment and adult training services as anti-poverty measures is their lack of outreach into the community where they can make direct contact with the working poor and with recipients of social assistance. Not only do these people need educational opportunities and skills upgrading they need to know what help is available and in some instances they need to be motivated to seek it. Many do not believe that training would enable them to escape; they do not see opportunities in their local community. Referrals to Manpower counsellors are made by welfare field staffs however the system is not complete and integrated: each agency remains responsible for its own part of the individual's problem. Liaison between our vocational rehabilitation counsellors and Manpower counsellors is much closer; the special group of disadvantaged people whom this program serves appear to be reached effectively. The system does not work as well for other poor people.

In the Manpower employment service there is a lack of continuity with the social assistance system; together these systems do not reach poor people to help with their employment problems. Referrals are made from one system to the other; however people who are difficult to place require special attention and in some instances even job finding. Adaptation of the placement service to more effectively assist the unskilled and disadvantaged is urgently needed. In our vocational rehabilitation program some counsellors are beginning to specialize in locating employment for disabled people. Difficulties in filling in application forms, handling interview situations and other similar problems of the poor have been well documented in other studies. Special attention needs to be paid to this particular group in the planning for the future development of the Manpower service.

An important link between training and employment services and the poor seems to be missing; not enough has been done to make the services accessible to the persons who need them most.

E. Measurement of Results

Many contemporary social services have evolved from a belief that they are necessary to make the lives of clients more comfortable and happy or that they are required in order to effect certain behavioral changes. No evaluation measures of comfort or happiness have been developed; in fact it is doubtful if "psychic" values can be quantified. Preliminary evaluation measures of the degree of behavioral change induced by counselling and social work treatment services are available, although these, too, are difficult to quantify. Since they are still in a developmental stage it is not possible to use them generally to measure the results of prevention and treatment programs. The contribution of treatment and counselling services in raising people out of poverty has not been demonstrated. Even if there should prove to be little relation between them, it is highly unlikely such services would or should be discontinued.

Other programs such as vocational rehabilitation of the physically disabled do alleviate poverty and there are techniques for measuring their effectiveness. Although conclusions based on follow up studies of rehabilitants are tentative, it seems from analyses made of American programs that "increased aggregate lifetime earnings" are impressive. The increased productivity of rehabilitants is included as a factor in the evaluation measures. However, whether or not rehabilitation programs should expand depends on an assessment of unmet needs. Not enough is known about this. Characteristics of the handicapped population not served by present programs are unexplored, nor are we fully aware of the geographical gaps in coverage of existing services. An assessment of the unfilled potential of the vocational rehabilitation program as an anti-poverty measure would be worthwhile.

Another program which has received considerable attention as a device for developing the potential of children is early childhood education. Results of the Head Start program funded originally by the Office of Economic Opportunity are inconclusive; it was designed to help deprived children make up the deficiencies which handicap them when they enter school and never overcome. The criterion of success was the degree to which mental and verbal skills and the ability to learn were improved.³ Evaluations concluded that unless there was an intensive follow up on the program in early school years, Head Start did not reduce the achievement differential between deprived children and other children. Other studies on early childhood learning have indicated that the principal development of personality takes place in early childhood. It appears from research done at the Ontario Institute for Studies in Education and elsewhere that enrichment of the environment of disadvantaged children when they are very young has exciting possibilities. Any such pre-school program probably must also be accompanied by ancillary social services outreach to alter the environment at home. The long term prospects for lifting people out of generational poverty seem rather promising.

3. Subcommittee on Employment, Manpower and Poverty of the Committee on Labor and Public Welfare, U.S. Senate, Examination of the War on Poverty. Staff and Consultants Reports, 90th Congress, 1st Session: Washington, D.C., September 1967, Vol. IV.

It is difficult to evaluate the effects of counselling and treatment as primary poverty preventive measures. This being the case, perhaps services should be developed on an experimental basis in large public agencies, where different delivery structures can be incorporated into the system. It does not seem practical to take the individual approach of the small voluntary agency with middle class clients and apply this without adaptation to semi-public agencies serving the poor.

F. Client Involvement

Anti-poverty programs funded by the Office of Economic Opportunity have had as a goal participation by the poor. Very considerable efforts went into this and on most boards of directors of community action projects, the poor were actively represented. The U.S. Senate Subcommittee which evaluated results of community action projects recommended that community action programs continue. An analysis of the effect of Office of Economic Opportunity policies on voluntary agencies concluded:

No consensus has yet been achieved as to who should receive what services in what manner, and the role of the consumer in the voluntary welfare system . . . It seems clear that before meaningful negotiations can take place around any of these issues, a strong force will be required to exert pressure on the welfare structure because of the resistance to change . . . Program changes ultimately will depend upon the decisions of agency Boards. The introduction of consumers on these Boards and their involvement in the policy-making functions of these organizations is one method for bringing about institutional change . . . Yet, until negotiations directed at increasing the involvement of indigenous leadership in the shaping of programs affecting their interests are successfully concluded, pressure will continue to increase for the separate financing of citizen groups, and the creation of duplicate welfare system apart from the established agencies.⁴

In Ontario, there have been a few representatives of the poor elected to boards of directors of private welfare agencies. How successful this will be in attaining sought after goals remains as much in doubt here as in the United States. Meanwhile as predicted above numerous citizens groups have sprung up.

G. Integration Services

Debates concerning whether social assistance and social services should be delivered from the same administrative unit are spilling over into Canada from the United States. If services must be accepted as a condition for eligibility for assistance then their effectiveness becomes questionable. However if social assistance recipients can be referred to social service agencies within the same unit, greater possibilities exist for co-ordination of services given to a family. Referrals to other agencies are not necessary and clients' problems are looked at as a "whole" rather than being divided into several aspects. The Department of Social and Family Services is experimenting with differing organizational structures in its field offices. While there are advantages to integration there are difficulties too. It may be that separation into special services may still be necessary. Undoubtedly the need to provide money services is urgent. Other services may suffer because they can be postponed.

In summary, then, there are many unresolved aspects in evolving the most effective social services delivery system. Co-operation between all of those involved, provincial and municipal governments and private agencies, is essential.

⁴. Lambert, Camille Jr., and Friedman, Leah R., Valuation and The War on Poverty, (Report of a study CG-8142 - A/O financed by the Office of Economic Opportunity): Pittsburg: 1968, pps. 18-20.

VII. FUTURE OF SOCIAL SERVICES

Planning and administration of social services at the private agency community level has been segregated from similar functions at the municipal and provincial government level. Services have been proliferating in some areas, languishing in others. Generally, the entire system has been becoming more difficult to co-ordinate as it is subdivided into more highly specialized functions. There are a variety of approaches which would help to alleviate these shortcomings. These particular difficulties are not unique to the Province of Ontario nor to the social service field.

In Great Britain, the Seebohm Report recently examined the organization of social services for the nation, found them wanting and recommended far-reaching changes. The essence of these was a unified approach at the local government level to be achieved by creating a social service department which would be responsible for: children's services, welfare services for the aged, education welfare services, home help services, mental health and social work services, adult training centres, day nurseries and social welfare work carried out by housing departments. Recently a bill was introduced in the House of Commons to implement some of these changes.

The Royal Commission on Health Services in Canada saw somewhat similar problems in the provision of health services. The work of this Commission has been continued by the Ontario Council of Health, an advisory body made up of citizens appointed because of their outstanding reputation or interest in or association with a particular health services function. Hundreds of people have been involved in the sub-committees of the Council.

There are a variety of ways in which the future overall planning of a balanced pattern of integrated social services and community development services may be approached. Whatever happens, it will be essential for provincial and municipal governments, specialists, educators, representatives of the professions and private agencies and others to come together to plan a future course of action.

The major problems in the social service field involve deciding on who is going to do what, who is going to administer what and who is going to pay for which services.

A comprehensive review of the kinds of community development services which might be encouraged and developed is nearing completion. In the near future we expect to undertake new initiatives in community development programs for social assistance recipients. Some services are presently being provided by our field staff.

APPENDIX

Miscellaneous Tables

TABLE 1

PERCENTAGE DISTRIBUTION OF FAMILIES AND
UNATTACHED INDIVIDUALS BY INCOME GROUPS
IN ONTARIO

	1965		1967	
	<u>Unattached Individuals</u>	<u>Families</u>	<u>Unattached Individuals</u>	<u>Families</u>
Under \$ 1,000	20.8	2.4	11.8	1.8
1,000 - 1,499	9.9	1.5	15.9	0.8
1,500 - 1,999	7.0	2.7	8.3	1.7
2,000 - 2,499	4.3	3.1	5.9	2.4
2,500 - 2,999	7.8	2.8	5.0	2.8
3,000 - 3,499	9.0	3.4	5.8	2.6
3,500 - 3,999	8.0	4.1	5.5	3.3
4,000 - 4,499	8.8	4.0	6.8	3.5
4,500 - 4,999	4.6	5.0	6.9	3.3
5,000 - 5,499	4.4	6.7	6.2	5.5
5,500 - 5,999	4.9	6.2	3.3	4.9
6,000 - 6,499	1.6	7.6	4.8	5.6
6,500 - 6,999	2.5	6.1	2.7	5.6
7,000 - 7,999	1.2	10.2	4.0	11.0
8,000 - 9,999	3.9	16.3	4.0	16.5
10,000 - 14,999	0.9	13.6	2.2	20.8
15,000 +	0.3	4.3	0.9	7.8
Average Income	\$ 3,225	\$ 7,184	\$ 3,731	\$ 8,446
Median Income	3,010	6,540	3,266	7,563

Source: DBS - Catalogue No. 13 - 528
and
1100 - 505

TABLE 2
GENERAL ASSISTANCE CASE COMPOSITION
1969

Administration	Family Heads		Single Heads		Others*
	Male %	Female %	Male %	Female %	
Metro Toronto	19.9	22.6	31.6	20.2	5.7
Ottawa-Carleton ¹	32.6	21.4	18.0	17.0	11.0
Hamilton	23.9	18.1	27.5	19.6	10.9
London	29.0	29.4	14.6	16.6	10.4
Windsor	25.9	31.9	10.8	25.2	6.2
Welland County ²	33.1	32.0	12.0	15.0	7.9
York County ³	32.9	31.4	11.1	15.7	8.9
Mississauga	27.8	37.2	9.0	16.6	9.4
Simcoe County ⁴	32.3	25.9	11.0	14.8	16.0
St. Catharines	32.1	21.2	25.1	16.4	5.2
Kitchener	23.3	33.1	16.0	14.1	13.5
Thunder Bay ⁵	22.3	25.6	34.7	16.7	.7
Wellington County ⁶	29.0	19.6	16.6	13.0	21.8
Essex County ⁷	23.6	35.7	15.1	14.7	10.9
Wentworth County ⁸	31.5	29.2	11.9	21.4	6.0
Hastings County ⁹	28.1	21.7	13.8	16.5	19.9
Sudbury (City)	33.6	23.8	14.2	20.6	7.8
Oshawa	33.0	17.4	24.1	24.2	1.3
Sudbury (District) ¹⁰	48.3	17.4	16.0	12.8	5.5
Oxford County ¹¹	23.8	18.4	11.9	9.7	36.2
Sault Ste. Marie	31.6	23.7	23.7	19.2	1.8
Kent County ¹²	28.0	32.1	13.1	17.9	8.9
Niagara Falls	24.4	32.7	14.9	19.3	8.7
Brantford	28.5	20.3	24.4	14.5	12.3
Sarnia	31.4	32.5	14.8	13.0	8.3
Kingston	32.6	19.7	28.0	19.3	.4
Peterborough	29.4	14.7	24.3	21.8	9.8
Cochrane (District) ¹³	36.5	20.9	13.6	16.8	12.2
Cornwall	41.3	17.7	11.2	16.3	13.5
Welland	34.8	24.0	20.3	20.9	0
Prescott-Russell ¹⁴	39.0	7.4	10.6	10.6	32.4
Bruce County ¹⁵	25.7	18.1	13.3	17.2	25.7
Victoria County ¹⁶	35.9	18.9	16.4	14.6	14.2
Algoma (District) ¹⁷	35.7	29.1	16.1	18.6	.5
Timmins	35.6	22.3	17.1	21.2	3.8
Barrie	21.0	29.0	12.9	23.4	13.7
Nipissing (District) ¹⁸	51.8	17.7	15.2	11.6	3.7
Prince Edward County ¹⁹	53.2	17.3	7.2	10.8	11.5
Teck	23.2	19.1	29.6	20.6	7.5
Averages	25.7	22.6	24.7	18.8	8.2

* residents of nursing homes and foster children.

TABLE 3

GENERAL ASSISTANCE
MALE HEADS FAMILIES AS A PERCENTAGE OF MONTHLY CASELOAD
1969

Administration	March %	June %	September %	December %
Metro-Toronto	21.2	19.4	18.5	20.2
Ottawa-Carleton ¹	34.4	33.7	28.1	33.6
Hamilton	26.3	22.8	22.0	24.3
London	35.4	26.0	23.6	30.6
Windsor	28.6	24.9	24.5	25.6
Welland County ²	37.4	30.6	18.8	35.8
York County ³	44.0	30.8	22.9	34.4
Mississauga	31.2	37.5	21.7	24.6
Simcoe County ⁴	35.6	28.1	29.5	34.5
St. Catharines	33.7	30.2	28.4	35.0
Kitchener	23.8	20.6	23.3	25.8
Thunder Bay ⁵	25.1	21.6	19.9	*
Wellington County ⁶	33.8	26.0	26.7	29.0
Essex County ⁷	28.7	16.9	18.5	27.9
Wentworth County ⁸	35.6	24.5	28.5	36.6
Hastings County ⁹	33.2	22.4	23.2	31.6
Sudbury (City)	36.7	32.0	31.9	34.4
Oshawa	37.1	33.1	29.4	32.5
Sudbury (District) ¹⁰	51.0	42.3	46.3	54.5
Oxford County ¹¹	*	23.8	18.3	28.5
Sault Ste Marie	27.9	23.7	28.5	40.2
Kent County ¹²	33.7	20.1	22.3	32.9
Niagara Falls	25.3	26.7	20.3	*
Brantford	28.8	24.7	30.0	29.9
Sarnia	33.5	27.8	31.1	33.0
Kingston	37.7	31.4	30.3	31.6
Peterborough	32.5	27.2	28.3	29.3
Cochrane (District) ¹³	47.6	36.4	32.4	47.3
Cornwall	46.6	41.4	37.6	40.4
Welland	39.3	30.9	31.0	35.7
Prescott-Russell ¹⁴	*	*	32.0	44.7
Bruce County ¹⁵	*	*	20.0	28.6
Victoria County ¹⁶	42.3	33.5	32.2	35.3
Algoma (District) ¹⁷	32.1	27.6	32.5	46.7
Timmins	36.7	35.8	34.8	35.3
Barrie	22.5	18.1	20.0	23.3
Nipissing (District) ¹⁸	50.7	51.2	47.1	56.9
Prince Edward County ¹⁹	54.0	42.9	51.0	60.6
Teck	23.7	25.4	19.1	24.1

* Indicates data either unavailable or incomplete at time of calculation.

TABLE 4

GENERAL WELFARE ASSISTANCE
MONTHLY EXPENDITURES PER BENEFICIARY 1969.**

Administration	General Assistance	Special Assistance	Supplementary Aid
Metro Toronto	\$ 59.17	\$ 21.49	\$ 14.94
Ottawa-Carleton ¹	71.38	19.30	14.32
Hamilton	55.53	46.96	14.66
London	53.83	12.08	16.25
Windsor	52.35	11.27	17.41
Welland County ²	42.97	22.43	17.83
York County ³	49.20	30.45	18.17
Mississauga	47.80	21.67	16.61
Simcoe County ⁴	37.46	46.50	16.90
St. Catharines	44.41	13.27	13.45
Kitchener	47.92	26.81	19.47
Thunder Bay ⁵	42.71	29.77	17.31
Wellington County ⁶	54.55	20.21	18.78
Essex County ⁷	45.61	25.16	19.05
Wentworth County ⁸	40.29	39.76	18.98
Hastings County ⁹	50.80	29.92	14.33
Sudbury (City)	38.94	17.12	17.61
Oshawa	45.40	170.78	19.79
Sudbury (District) ¹⁰	35.52	27.80	15.51
Oxford County ¹¹	58.56	28.04	16.73
Sault Ste. Marie	45.25	22.83	13.99
Kent County ¹²	42.86	29.12	17.12
Niagara Falls	48.48	19.03	16.15
Brantford	43.84	13.12	20.20
Sarnia	39.80	28.34	17.06
Kingston	51.43	14.75	17.66
Peterborough	58.04	32.71	16.92
Cochrane (District) ¹³	48.68	19.65	9.55
Cornwall	47.17	19.94	15.41
Welland	37.55	10.55	16.27
Prescott-Russell ¹⁴	48.88	27.17	31.45
Bruce County ¹⁵	50.91	82.50*	12.95
Victoria County ¹⁶	46.62	21.14	18.10
Algoma (District) ¹⁷	33.18	42.11	25.98
Timmins	49.50	12.02	16.35
Barrie	39.29	15.04	13.85
Nipissing (District) ¹⁸	25.79	18.30	21.87
Prince Edward County ¹⁹	37.38	19.38	16.79
Teck	51.27	31.55	16.45
Average	46.67	29.23	17.24

* A total of \$165, spent on two beneficiaries in December. No Special Assistance expenditure in September. (Data unavailable for March and June).

** see page 20 for explanation of variations.

TABLE 5
GENERAL ASSISTANCE
AVERAGE FAMILY SIZE
1969

Administration	Average Family Size
Metro Toronto	3.7
Ottawa-Carleton ¹	4.3
Hamilton	3.9
London	3.8
Windsor	3.9
Welland County ²	3.9
York County ³	3.8
Mississauga	3.9
Simcoe County ⁴	4.3
St. Catharines	4.1
Kitchener	3.8
Thunder Bay ⁵	3.9
Wellington County ⁶	4.1
Essex County ⁷	3.8
Wentworth County ⁸	4.2
Hastings County ⁹	4.1
Sudbury (City)	4.2
Oshawa	3.8
Sudbury (District) ¹⁰	5.1
Oxford County ¹¹	4.1
Sault Ste. Marie	4.4
Kent County ¹²	3.9
Niagara Falls	3.7
Brantford	3.9
Sarnia	3.7
Kingston	4.1
Peterborough	4.1
Cochrane (District) ¹³	4.6
Cornwall	4.5
Welland	3.7
Prescott-Russell ¹⁴	4.6
Bruce County ¹⁵	4.5
Victoria County ¹⁶	4.3
Algoma (District) ¹⁷	4.8
Timmins	4.3
Barrie	3.5
Nipissing (District) ¹⁸	4.9
Prince Edward County ¹⁹	4.5
Teck	3.7
Average Family Size	4.1

TABLE 6

FAMILY BENEFITS
PERCENTAGE DISTRIBUTION OF CASES BY FAMILY SIZE
DECEMBER 1969

Administration*	Family Size		
	One %	Two %	Three or more %
Metro Toronto	53.7	18.5	27.8
Ottawa-Carleton ¹	46.8	17.7	35.5
Hamilton	41.7	21.5	36.8
London	45.1	20.8	34.1
Windsor	50.4	18.3	31.3
Welland County ²	50.8	17.6	31.6
York County ³	52.0	17.3	30.7
Mississauga	67.0	12.0	21.0
Simcoe County ⁴	50.1	17.3	32.6
St. Catharines	43.3	21.2	35.5
Kitchener	61.1	13.8	25.1
Thunder Bay ⁵	49.2	19.0	31.8
Wellington County ⁶	59.1	15.3	25.6
Essex County ⁷	54.7	16.2	29.1
Wentworth County ⁸	58.1	17.2	24.7
Hastings County ⁹	49.7	20.1	30.2
Sudbury (City)	47.6	17.2	35.2
Oshawa	44.4	24.8	30.8
Sudbury (District) ¹⁰	47.7	15.9	36.4
Oxford County ¹¹	56.0	17.9	26.1
Sault Ste. Marie	51.0	20.6	28.4
Kent County ¹²	46.0	23.9	30.1
Niagara Falls	39.9	24.9	35.2
Brantford	51.8	16.3	31.9
Sarnia	51.7	20.6	27.7
Kingston	43.3	20.1	36.6
Peterborough	43.9	21.0	35.1
Cochrane (District) ¹³	44.3	22.0	33.7
Cornwall	48.1	19.2	32.7
Welland	47.8	21.1	31.1
Prescott-Russell ¹⁴	50.3	17.9	31.8
Bruce County ¹⁵	51.5	18.1	30.4
Victoria County ¹⁶	52.6	19.3	28.1
Algoma (District) ¹⁷	47.4	22.0	30.6
Timmins	37.3	24.1	38.6
Barrie	45.6	18.4	36.0
Nipissing (District) ¹⁸	45.4	20.2	34.4
Prince Edward County ¹⁹	39.7	20.6	39.7
Teck	46.3	21.7	32.0
Provincial Average	49.8	19.1	31.1

* Although the Family Benefits program is provincially administered data have been prepared for some selected municipalities on the basis of General Welfare Assistance Administration units to permit comparisons.

TABLE 7

FAMILY BENEFITS
EXPENDITURE PER BENEFICIARY
DECEMBER 1969

Administration*	Expenditure Per Beneficiary
Metro Toronto	\$ 76.05
Ottawa-Carleton ¹	71.79
Hamilton	73.44
London	72.01
Windsor	73.50
Welland County ²	70.41
York County ³	71.53
Mississauga	74.57
Simcoe County ⁴	66.99
St. Catharines	72.46
Kitchener	73.93
Thunder Bay ⁵	72.56
Wellington County ⁶	71.85
Essex County ⁷	70.82
Wentworth County ⁸	71.57
Hastings County ⁹	67.24
Sudbury (City)	69.47
Oshawa	74.78
Sudbury (District) ¹⁰	62.89
Oxford County ¹¹	70.40
Sault Ste. Marie	73.04
Kent County ¹²	67.65
Niagara Falls	72.63
Brantford	73.70
Sarnia	75.71
Kingston	68.89
Peterborough	72.33
Cochrane (District) ¹³	64.69
Cornwall	69.24
Welland	72.62
Prescott-Russell ¹⁴	66.45
Bruce County ¹⁵	66.50
Victoria County ¹⁶	71.44
Algoma (District) ¹⁷	64.57
Timmins	67.44
Barrie	68.40
Nipissing (District) ¹⁸	61.94
Prince Edward County ¹⁹	64.67
Teck	70.86
Average	70.28

* Although the Family Benefits program is provincially administered data have been prepared for some selected municipalities on the basis of General Welfare Assistance Administration units to permit comparisons. Average per beneficiary expenditure for all cases was \$70.72.

TABLE 8
FAMILY BENEFITS
AVERAGE FAMILY SIZE
DECEMBER 1969

Administration*	Average Family Size
Metro Toronto	3.4
Ottawa-Carleton ¹	3.6
Hamilton	3.4
London	3.5
Windsor	3.5
Welland County ²	3.4
York County ³	3.5
Mississauga	3.6
Simcoe County ⁴	3.7
St. Catharines	3.5
Kitchener	3.5
Thunder Bay ⁵	3.4
Wellington County ⁶	3.6
Essex County ⁷	3.7
Wentworth County ⁸	3.6
Hastings County ⁹	3.6
Sudbury (City)	3.7
Oshawa	3.3
Sudbury (District) ¹⁰	4.0
Oxford County ¹¹	3.6
Sault Ste. Marie	3.4
Kent County ¹²	3.3
Niagara Falls	3.3
Brantford	3.4
Sarnia	3.3
Kingston	3.7
Peterborough	3.5
Cochrane (District) ¹³	3.7
Cornwall	3.7
Welland	3.3
Prescott-Russell ¹⁴	3.7
Bruce County ¹⁵	3.7
Victoria County ¹⁶	3.5
Algoma (District) ¹⁷	3.8
Timmins	3.6
Barrie	3.6
Nipissing (District) ¹⁸	3.9
Prince Edward County ¹⁹	3.6
Teck	3.4
Average	3.6

* Although the Family Benefits program is provincially administered data have been prepared for some selected municipalities on the basis of General Welfare Assistance Administration units to permit comparisons. Average family size for all cases was 3.5.

TABLE 9
FAMILY BENEFITS
PERCENTAGE DISTRIBUTION OF CASES BY CATEGORY

Administration*	Category			
	Aged %	Disabled %	Mothers %	Others** %
Metro Toronto	25.6	36.1	35.6	2.7
Ottawa-Carleton ¹	14.4	40.9	40.9	3.8
Hamilton	16.1	34.0	47.4	2.5
London	14.4	41.2	42.2	2.2
Windsor	15.3	40.0	41.6	3.1
Welland County ²	12.4	48.5	36.9	2.2
York County ³	18.8	43.1	34.1	4.0
Mississauga	35.1	40.3	23.0	1.6
Simcoe County ⁴	13.9	52.6	30.5	3.0
St. Catharines	16.2	36.7	45.5	1.6
Kitchener	23.0	47.3	27.8	1.9
Thunder Bay ⁵	17.5	39.3	39.2	4.0
Wellington County ⁶	17.5	52.7	26.1	3.7
Essex County ⁷	15.8	48.6	32.9	2.7
Wentworth County ⁸	20.6	45.0	31.1	3.3
Hastings County ⁹	15.9	54.5	25.5	4.1
Sudbury (City)	15.8	41.6	39.0	3.6
Oshawa	16.1	38.4	43.9	1.6
Sudbury (District) ¹⁰	13.7	56.0	27.0	3.3
Oxford County ¹¹	14.2	56.7	27.9	1.2
Sault Ste. Marie	18.3	40.0	38.0	3.7
Kent County ¹²	11.8	50.1	33.6	4.5
Niagara Falls	14.1	35.6	48.0	2.3
Brantford	13.9	44.3	40.4	1.4
Sarnia	11.2	46.5	37.3	5.0
Kingston	13.0	39.4	43.3	4.3
Peterborough	13.1	41.4	42.5	3.0
Cochrane (District) ¹³	17.7	49.5	28.9	3.9
Cornwall	15.7	46.6	32.9	4.8
Welland	18.0	37.3	42.0	2.7
Prescott-Russell ¹⁴	18.2	62.0	17.8	2.0
Bruce County ¹⁵	11.9	63.9	20.7	3.5
Victoria County ¹⁶	12.7	61.4	23.5	2.4
Algoma (District) ¹⁷	12.7	50.2	30.6	6.5
Timmins	10.8	40.5	44.5	4.2
Barrie	13.4	41.9	42.9	1.8
Nipissing (District) ¹⁸	14.5	59.4	22.7	3.4
Prince Edward County ¹⁹	13.2	50.8	34.3	1.7
Teck	18.4	47.5	32.3	1.8
Provincial Average	17.9	44.7	34.2	3.2

* Although the Family Benefits program is provincially administered data have been prepared for some selected municipalities on the basis of General Welfare Assistance Administration units to permit comparisons

** foster children, residents in Homes for the Aged and other miscellaneous cases.

TABLE 10

GENERAL ASSISTANCE and FAMILY BENEFITS
PERCENTAGE OF ASSESSED POPULATION RECEIVING BENEFITS
DECEMBER 1969

Administration*	General Assistance	Family Benefits	Total
Metro Toronto	1.87	1.61	3.48
Ottawa-Carleton ¹	2.34	1.93	4.27
Hamilton	2.25	2.97	5.22
London	1.46	1.58	3.04
Windsor	1.37	2.23	3.60
Welland County ²	1.66	1.61	3.27
York County ³	1.20	1.04	2.24
Mississauga	.53	.26	.79
Simcoe County ⁴	1.70	2.55	4.25
St. Catharines	2.22	2.10	4.32
Kitchener	.48	.89	1.37
Thunder Bay ⁵	**	2.42	**
Wellington County ⁶	1.12	1.24	2.36
Essex County ⁷	.80	1.37	2.17
Wentworth County ⁸	.59	.85	1.44
Hastings County ⁹	1.71	3.12	4.83
Sudbury (City)	1.23	2.03	3.28
Oshawa	1.62	1.72	3.34
Sudbury (District) ¹⁰	1.68	2.62	4.30
Oxford County ¹¹	1.10	1.45	2.55
Sault Ste. Marie	4.00	2.05	6.05
Kent County ¹²	.93	2.16	3.09
Niagara Falls	**	2.06	**
Brantford	1.63	2.10	3.73
Sarnia	.95	1.41	2.36
Kingston	2.91	3.17	6.08
Peterborough	2.58	2.59	5.17
Cochrane (District) ¹³	2.29	4.27	6.56
Cornwall	2.41	4.38	6.79
Welland	1.42	2.41	3.83
Prescott-Russell ¹⁴	4.05	5.15	9.20
Bruce County ¹⁵	.80	2.67	3.47
Victoria County ¹⁶	2.53	3.16	5.69
Algoma (District) ¹⁷	3.13	4.22	7.35
Timmins	4.01	4.90	8.91
Barrie	1.16	2.00	3.16
Nipissing (District) ¹⁸	3.54	8.12	11.66
Prince Edward County ¹⁹	3.24	3.19	6.34
Teck	4.35	5.15	9.50

* Although the Family Benefits program is provincially administered data have been prepared for some selected municipalities on the basis of General Welfare Assistance Administration units to permit comparisons.

** Data unavailable or incomplete at time of calculation.

FOOTNOTES

1. Ottawa-Carleton is the complete county of Carleton
2. Welland County excludes the cities of Niagara Falls and Welland
3. York County excludes Metropolitan Toronto
4. Simcoe County excludes Barrie
5. Thunder Bay is the sum of Port Arthur and Fort William
6. Wellington County complete
7. Essex County excludes Windsor and Pelee Island
8. Wentworth County excludes the city of Hamilton
9. Hastings County complete
10. Sudbury District excludes Sudbury City
11. Oxford County complete
12. Kent County excludes Chatham
13. Cochrane District excludes Timmins
14. Prescott-Russell combines the two complete counties of Prescott and Russell
15. Bruce County complete
16. Victoria County complete
17. Algoma District excludes Sault Ste. Marie
18. Nipissing District excludes North Bay
19. Prince Edward County complete.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON

POVERTY

The Honourable **DAVID A. CROLL**, *Chairman*

No. 44

TUESDAY, MAY 26, 1970

WITNESSES:

The Department of Health and Welfare, Province of New Brunswick:
The Hon. L. Norbert Theriault, Minister; Dr. J. G. Clarkson, Deputy
Minister; Mr. D. J. Junk, Director of Research and Planning.

APPENDIX:

"A"—Brief submitted by the Department of Health and Welfare, Province
of New Brunswick.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

“The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

“That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate.”

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Tuesday, May 26, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (*Chairman*); Carter, Cook, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, McGrand and Quart. (9)

In Attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

THE DEPARTMENT OF HEALTH AND WELFARE, PROVINCE OF NEW BRUNSWICK:

The Hon. L. Norbert Theriault, Minister;

Dr. J. G. Clarkson, Deputy Minister;

Mr. D. J. Junk, Director of Research and Planning.

The brief submitted by the Department of Health and Welfare, Province of New Brunswick, was ordered to be printed as appendix "A" to these proceedings.

A 12.15 p.m. the Committee adjourned until Thursday, May 28, 1970, at 9.00 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Tuesday, May 26, 1970

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Chairman: Honourable senators, I would remind you that the meeting on Thursday of this week will commence at 9 o'clock. We will have two hearings on that day. Instead of 9.30 we will meet at 9 o'clock in order to give both groups an opportunity of being fully heard.

Today we have before us the brief of the Province of New Brunswick. Sitting on my right is the Honourable L. Norbert Theriault, the Minister of Health and Welfare. He was first elected to the legislature of New Brunswick in 1960; he became Minister of Municipal Affairs in October, 1965, and assumed the Health and Welfare portfolio in 1967. Sitting beside him is Mr. Clarkson, the Deputy Minister of Health and Welfare. He was the first Deputy Minister of Health and Welfare when the two departments were amalgamated. We also have here Mr. Junk, the Director of Research and Planning of the Department of Health and Welfare.

The minister will make a short statement and then we will proceed to the questions.

Senator Fournier: Mr. Chairman, do we have any simultaneous interpretation?

The Chairman: The minister says there is no need for it.

The Honourable L. Norbert Theriault, Minister of Health and Welfare, Province of New Brunswick: Thank you, Mr. Chairman. Good morning senators. I am very pleased to notice that the Maritime provinces are well represented on your committee, and I am particularly pleased that it includes three people from my province. I am happy to see Senator Fergusson here, of course, with whom I have had a number of

contacts since becoming involved as a member of the Government of New Brunswick.

I hope, honourable senators, you have our brief, which is in fact more or less a summary of the white paper presented to the legislature of our province by the Premier on March 26 last, plus the joint brief presented by the Atlantic provinces to Mr. Munro, the federal Minister of National Health and Welfare. For those who have had time to peruse our white paper and look at the brief presented by the Atlantic provinces, plus I would hope maybe the brief presented to the federal Task Force on Housing by the New Brunswick Housing by the New Brunswick Housing Corporation in 1968, I think these papers set out pretty well the problems with which we are faced in New Brunswick, as well as in the other Atlantic provinces. I trust you will also have knowledge of some of the recommendations we have made over the years to the federal Government, hoping they would find ways and means to make special efforts to come to the rescue of the Atlantic provinces. In this I am probably repeating what has been said by the delegations from Nova Scotia, P.E.I. or Newfoundland.

We have been particularly concerned that the federal programs or at least some of them which were initiated for dealing with extreme poverty were not geared, as far as I am concerned, to the benefit of the Atlantic provinces. For instance, the Canada assistance Plan is regulated in such a way that it is much more difficult for New Brunswick to take advantage of it than it is for the wealthier provinces. I think it is as simple as this. We have a lower per capita income and we have a lower participation of our labour force because of the mobility of our younger people to other provinces. The other reason is that we have a higher percentage of old people and children in our population. It has been impossible to take as much advantage of the Canada Assistance Plan in New Brunswick as we would liked to have done.

We presented to the legislature and to the people of New Brunswick the White Paper for a number of reasons. Probably the main reason was to try and get

people involved at the community level to try and cope with this problem of poverty. We have also tried to get people on a whole to realize the problems faced by those who live in poverty or who are under public assistance programs. It is surprising that in such a small province as New Brunswick how a great number of people sometimes do not really seem to be concerned or aware of their neighbours who are living in poverty. We hope that by this White Paper and the creation of a task force which we hope will move around the province hearing the people's views, ideas and suggestions, that eventually those who have been deprived will be given the consideration they deserve. In fact, if nothing very much can be done for those in the old age group, there may be ways and means found to cope with the problems faced by the children of those families and give them the same privileges enjoyed by other children in Canada.

Mr. Chairman, that about sums up our position.

The Chairman: That is fine, Mr. Minister.

Senator Fergusson: Mr. Chairman, Mr. Theriault and other members of his delegation know how pleased I am to have them appear before us to outline the situation in New Brunswick, because they are most familiar with it. I am particularly pleased that they are here at this time to explain the White Paper, for which I have the greatest admiration.

Mr. Theriault, I may say that I was fortunate enough to be in New Brunswick the day the White Paper was introduced in the legislature. I was in the gallery and could hardly refrain from clapping. These plans are really the first undertaken by a province dealing with welfare as well as industrial economy. You are trying to take actual steps to integrate these plans, and in my opinion this is a pioneer project in Canada.

As anyone from New Brunswick will remember, I have a special interest in family allowances. At the top of page 9 you recommend restructuring the family allowances. This is mentioned in section (B) on page 21 of the White Paper. In the third paragraph of that page you refer to the increased allowances, but you do not say how you suggest they be restructured. We take for granted that they should be increased, but how would you go about doing that?

Hon. Mr. Theriault: It has been my feeling over the years that the purpose for which the family allowance program was initiated has been lost throughout the years. It seems to me, for instance, family allowances

are not needed, generally speaking, for the one-child or two-child families.

The way it is geared, if I remember correctly—I should know something about it, being a father of ten . . .

Senator Fournier: Is that all?

Hon. Mr. Theriault: Don't they reduce with the number of children?

The Chairman: Not much.

Hon. Mr. Theriault: In age rather. I would like to see the family allowance program based on needs. I know it would not be a means test but it should be geared towards helping the families who need extra financial assistance. Whether you want to keep it for the one- or two-child family providing there is an increase with the need or the number of children in the family—the real need comes in with the wage earner or labourer who has a family of five or six children.

It might be that in totally restructuring the family allowance program the federal government should take a look at the income tax situation and possibly do away with the deductions that are allowed for children and tax the family allowance as an income. Of course, if you do not raise it there is no need of talking about this.

I have had discussions with people in Quebec, and although they are not satisfied they feel that their provincial program goes far enough and it is based on this principle. The cost in Quebec has not been all that much more. The problem, of course, in our system is that the economy is not geared in such a way that the employer can take into consideration the need of the family of his employee. I do not think there is a solution to that problem because the employer has to deal with what the employee is doing for him or his company. In the meantime you will have maybe two people earning \$5,000 and they are each producing about the same for the company. One of them has one or two children, and the other one has seven or eight. The one with seven or eight children is probably living in poverty and because of this his production, instead of increasing with the years, will probably decline. He is loaded with problems when he goes to work Monday morning and he has no way of solving them when he goes home on the weekend.

Senator Fergusson: If you increased the family allowance three, four and even five times and did

nothing else do you think that would solve the problem of poverty?

Hon. Mr. Theriault: I cannot say that I have any suggestions to completely solve the problem. I am sure that in New Brunswick, if there was an increase, especially, and I repeat, especially in the families where there are a number of children, it would go a long way to help alleviate the problem.

Senator Hastings: Mr. Minister, you feel it should be based on need or on a means test. Do we not have that right now, in fact?

Hon. Mr. Theriault: In the family allowance?

Senator Hastings: You give me money every month, but you take it back every month as well, because I don't need it, and you give it to the man who needs it. You don't take it from the man who needs it. So in fact we do have a means test in that sense, and have we not learned that these plans will operate better universally in taking from all those who don't need it and giving it to those who do need it?

Hon. Mr. Theriault: We don't actually take back from the family allowance program.

Senator Hastings: Would you like to see my cheque?

Hon. Mr. Theriault: If you have children you get the money.

Senator Hastings: That is right. You are giving me a cheque every month, but you are taking it right back.

Hon. Mr. Theriault: That cheque you are getting is not counted as part of your income.

The Chairman: It does not hit you until after you are earning \$10,000. It is only over that income that you start paying it back.

Senator Fergusson: It has been suggested that if the family allowance was increased sufficiently, that would be an answer to the question, Mr. Minister. What is your opinion about that?

Hon. Mr. Theriault: It would go a long way, but I am not prepared to say that just that one program could do the whole job.

Senator Fergusson: Having administered family allowance for many years I am very much in favour of it. As it is some time since I had anything to do with it, however, I am not prepared to argue whether it is still doing what it was intended to do. I realize that there is still the argument that even if you did increase the family allowance that would not take care of childless families, of which there are many among the poverty stricken people of Canada.

Senator Fournier: Mr. Chairman, first I should like to congratulate the witnesses from New Brunswick for having prepared a French "mémoire au comité spécial du Sénat sur la pauvreté", which is something we have never had before. We appreciate it very much, because it is very much in order.

Hon. Mr. Theriault: It is the least we should do in New Brunswick.

Senator Fournier: I should like to comment on your White Paper at page 7. You say that "Industrial development and technological change mean fewer work opportunities for persons of little education or training".

I agree with that statement. But I believe there is much room for improvement in the manpower training programs we have across Canada.

In New Brunswick, as in the Atlantic provinces generally, the standard of education is somewhat lower than in Ontario and Quebec. That is the situation we have to live with at the moment. We have quite a number of drop-outs from our technical schools owing to lack of education. I believe that is a serious problem. Now, in relation to that problem my criticism of the manpower training scheme is directed to the upgrading system it sponsors, because, although it has some merit, it comes to a dead end for too many people. For example, how can you expect a person with only grade 4 or grade 5 to upgrade himself to grade 12 within a matter of one or two years at the most. It is not possible. It has been tried and has been found unsuccessful for many reasons, not the least of which are the worries of a family man with dependents. And yet manpower has very rigid rules with respect to this grade 12 regulation.

On the other hand, I fully realize that if a person wants to reach a particular level in certain trades, such as the electrician's trade and the plumber's, he really needs that grade 12 standing. I suppose it depends on how far he wants to go. But I am concerned about those people who cannot reach that level and are thus

deprived of the benefits of schooling because they have not got their grade 12.

I am certainly not convinced that a person needs grade 12 in order to become a barber or a hairdresser or possibly even a cook—and I am sure there are many other areas of endeavour like that. He certainly needs some physical abilities. I grant that.

To repeat, then, the problem in New Brunswick, and right across Canada, is that when people are deprived of schooling facilities because they have not got their grade 12, then, when they go back to the trades, there is no employment for them. To illustrate how absurd the situation is, I may say that in New Brunswick certain companies even insist on a grade 12 standing in order for a person to be employed to cut pulp wood and do hand labour. Those companies argue that employees would have no chance for promotion without the grade 12 standing.

Perhaps the answer is that in our manpower training program there should be some middle road so that people can be trained in semi-skills in all trades—the electrician's trade, plumbing and so on. In that way they could take employment equivalent to their ability and would not be sent out into the wide world without any skills.

Furthermore, we must not forget that we live in a technological age of scientific advancement which may be having the effect of depriving semi-skilled workers of their livelihood. There are many people in the age bracket of 30 to 50 who have families and, with their present abilities, are capable of earning only \$50 a week, or perhaps \$60. But that income is not sufficient to give them a living allowance which will also take care of their families and supply them with the needs of life.

As a result of these various forces at play in our society I believe many people are coming to the realization that they are better off on welfare than trying to eke out a meagre existence. I personally feel that applies right across the country.

Bearing all those things in mind, can you tell me what you are doing to try to overcome these problems?

Hon. Mr. Theriault: Mr. Chairman, there is actually a lot of merit in what Senator Fournier has said. I am inclined to agree that manpower seems to be more concerned with finding jobs for people with trades and qualifications than it is with trying to find ways and means of supplying jobs to and upgrading those people who have not got the qualifications.

At least that is true in New Brunswick, and I can really speak only for New Brunswick.

However, I am not of the opinion that a large number of people would sooner be on welfare than be at work. Naturally, it is hard to document that one way or the other. We have not done it in New Brunswick and I doubt whether any province has done so. We hear that argument from people on the street, especially from people who are working every day of their lives and who have really never been in the position of having to go to the welfare office.

I was in conversation last week with a lady in St. John who is the mother of six and who was a welfare recipient. She has now pulled herself up by her own bootstraps and is fully employed with Family Services in St. John. She told us she had made a special survey of a given area in St. John and she came up with the suggestion that 95 per cent of the people in that given area who were on public assistance or welfare, as it is commonly known, would prefer to be working. She was pretty determined about this, and she seemed to know what she was talking about. However, I must say that in New Brunswick at least when we embarked on this provincial program, and, as you know, the administration of public assistance or welfare in New Brunswick is a provincial program, we did not give the proper consideration to the work incentive. For instance, we say to the welfare recipients "once you earn over \$20 a month—if you earn even \$21 a month, we take the whole \$21 out" and of course this destroyed the incentive. We mention this in our White Paper. But I am still convinced that the great, great, great majority of people living on welfare if offered a job that they could do, even at the minimum wage in New Brunswick, they would prefer to work. Now I do not know if I would go so far as to agree with the 95 per cent that this lady found in her survey of her given area, but the proportion would still be very high. Of course the problem in rural New Brunswick is that the only jobs available in many areas are those in lumber camps, and these are getting fewer and fewer, as Senator Fournier pointed out, because of automation and we must keep in mind that these people often have to go 75 or 100 miles to work.

The Chairman: There was a study made by a professor of the University of Calgary who took Calgary as the area for his study. He indicated to us that as a result of his study, 5 per cent of the people on welfare were not capable or did not want to take a job.

Senator Fournier: He did not know very much what he was talking about.

The Chairman: This was the result of his study, and he presented it to us.

Senator Fournier: Mr. Minister, I recognize what you are saying, but I do not agree with you when you say great, great, great; I will just leave it at one great because of course there is a wide variety. However, Mr. Chairman, while I have some questions, I will pass for the moment and come back to them later.

Senator McGrand: I have a number of questions I would like to ask, Mr. Chairman. As we know, the problem of low incomes varies from area to area. What percentage of the people of a given area, and we will say one of the worst areas—what percentage of the people in that area are on welfare as compared with an area that is not as bad?

Hon. Mr. Theriault: In our province, you mean?

Senator McGrand: Yes.

Hon. Mr. Theriault: I do not know what you mean by the level of income.

Senator McGrand: There are certain areas in New Brunswick where the income is low. Take for instance Brantville, which is one of the worst areas. What percentage of the people are supported by welfare and are depending on welfare in that area as compared with, let us say, the Parish of Ludlow?

Hon. Mr. Theriault: I do not know if we have a definite figure based on the population. The Tracadie area, which includes Brantville and all that area, sometimes in the wintertime has as high as 38 per cent of the population depending upon public assistance. This of course does not mean that these people depend on welfare all the year round. These would be people working in lumber camps for four or five months of the year. Of course in these poverty-stricken areas, what you have is the end result of a long history of poverty, and you have naturally a low, low level of education. You have the problem of mentally affected people and physically affected people because they did not have the proper health care in their childhood. Therefore the working capability of these people is very, very limited. And so a number of these people, if not all, have reached the age mentioned by Senator Fournier, 45 or 50 and they cannot read or write, so there is really not very much you can do with these people to make them productive members of society. But what we are not doing or what society has not been doing in New

Brunswick, and I am sure this applies to many other areas of Canada, is trying to make sure that the children of these families are provided with the equal opportunity in health—and I think it probably has to start with health, because health services are needed even before you can start with educational services. You know the old saying that their fathers were on welfare and their grandfathers were on welfare and their children will be on welfare. I personally do not believe this theory, but I think the system has caused this situation to a large degree, because when these children who are born in a shack and live with parents who have no education and who are not productive members of society, reach school age at grade 1 which is about six years old in New Brunswick, they are just not able to cope with other people in society.

Senator Hastings: What do you mean by mentally affected?

Hon. Mr. Theriault: Some of these people are mentally affected because of the surroundings in which they live. I think they are mentally affected because they have not heard in their homes from their parents the discussions of what is good in life and what is not good in life.

The Chairman: You mean culturally?

Hon. Mr. Theriault: Yes. But it is all part of this mental ability, and I think you start developing that at a fairly young age.

Senator McGrand: I would like to ask now, if it varies from area to area and if it depends on this background of cultural poverty, would you take the area I referred to and compare it with the Parish of Hardwicke. As you know, there they have the same natural resources and depend largely on fishing, some small farming and lumber. Now do you find this cultural poverty you have just referred to or, let me put it this way, what is the difference between those two communities? They are not equally bad, are they?

Hon. Mr. Theriault: No.

Senator McGrand: And going on from there, what percentage of the people of the Parish of Hardwicke are on welfare?

Hon. Mr. Theriault: It would be much lower. I do not think it is fair to say that the opportunities for earning are the same. First of all, both largely depend

on the fishing industry, and that industry over the years has been much better in the Parish of Hardwicke. We have more variety and more fishing opportunities, and the returns have been much greater in the Parish of Hardwicke from the fishing industry than they have been in the area that you are talking about, in the Tracadie area, first of all, because it is a very much smaller population and there is a disparity in level of education. Because of their poverty, under the old system the people could not provide the schools and qualified teachers in the Tracadie area such as were provided in the Parish of Hardwicke.

Senator McGrand: But the first rural regional high school in New Brunswick was in the Parish of Hardwicke. I remember because I was there the day it was opened in 1940. It takes a long time to discuss this, but what you mean is that the people in this area of Hardwicke did not suffer from the same cultural poverty as people, say, in the Mactaquac area. It was because of this they had more physical resources from which to get a livelihood. Where you get a living from the natural resources, conditions are never as bad, is that not right?

Hon. Mr. Theriault: Unless you are living in an area where secondary manufacturing is; but if you are living in the rural areas, you are right.

Senator McGrand: Well, New Brunswick is mostly rural.

Hon. Mr. Theriault: Yes.

Senator McGrand: At the very bottom of page 10 you mention housing and say:

Special emphasis should be given to financing better housing and the services required for such housing in some of our rural communities.

Would you develop that a little and outline what you are doing in those particular areas regarding housing?

Hon. Mr. Theriault: We are not doing anything because actually the way the Central Mortgage and Housing Corporation is operating, if you have not the basic services of water and sewage they will not advance money to build houses in these areas, and it is a vicious circle. I feel the real problem of housing in New Brunswick is in rural New Brunswick.

Senator McGrand: I agree.

Hon. Mr. Theriault: In spite of the need, as we mention in this paper some place, for years Ontario, for instance, with, I think, 35 per cent of the population of Canada, was able to use 95 or 97 per cent of the money that was spent under those programs in Canada.

The Chairman: That is at the top of page 8.

Hon. Mr. Theriault: I am thinking here of subsidized housing, of course. Even if these monies are available in New Brunswick, because of our limited resources it is not only because of the 10 per cent to build but it is the subsidy we have to pay to those low-income people, and the subsidy is the same in New Brunswick and Ontario.

Senator McGrand: So these people in these areas we are talking about are simply caught?

Hon. Mr. Theriault: Yes, that is right.

Senator McGrand: They cannot get the money from public sources and they have not it on their own, so they are just frozen right there.

Now, would you outline what improvements have taken place in the areas where ARDA has been functioning for some time? That would take in the Brantville area.

Hon. Mr. Theriault: You are talking of the FRED agreement. As far as the ARDA program is concerned—and I do not pretend to be too familiar with it, because agriculture is not . . .

Senator Fournier: Nobody is.

Hon. Mr. Theriault: But when you look at the figures—and I have looked at the figures of the Department of Agriculture under ARDA for this year and the proposed extension of the federal Government offer to the Province of New Brunswick—you find, again, the improvements that were made under those programs were made mostly on the farms along the Saint John River.

Senator Fergusson: Where they had the best farms anyway.

Hon. Mr. Theriault: Where they had the best farms anyway, in King's County and those areas. Again, you had to have something to start with.

Senator McGrand: In the ARDA program did they not spend money to raise the standard of education in the area?

Hon. Mr. Theriault: Under the FRED program, yes, and in the County of Restigouche and Gloucester and one parish in the County of Northumberland . . .

Senator McGrand: The Parish of Alywick.

Hon. Mr. Theriault: Yes, the Parish of Alywick—quite a few dollars have been expended in upgrading educational facilities. We will now have no high school complex in Tracadie, Caraquet, Shippegan and those areas. This is fine; this has to be done; but my concern is this. 38 per cent is the whole area, but take Caraquet and Shippegan, for instance. The majority of the people living in those villages are providing themselves and their families with a fair standard of living. Because you know the area, take a child that comes from Brantville and lands in that high school complex coming from a shack where his father and mother cannot read or write, and he is badly dressed and possibly has not the 35 or 45 cents to buy lunch at the cafeteria, and there are 75 per cent of the children in that school who have all this. He is just not equipped to cope with the situation. In spite of the facilities, unless special efforts are made to deal with these people we are not going to rectify the situation.

Senator McGrand: This program has been in operation for a number of years. Is there evidence of favourable results?

Hon. Mr. Theriault: I think education-wise, yes.

Senator McGrand: Just one more question. On page 2 particular stress is given to equipping persons who are displaced from primary industries with skills to cope with the more complex world. Would you talk a little on that?

Hon. Mr. Theriault: What we mean here is people who were in the fishing industry—that is a primary industry—or in the wood-cutting industry. Because of mechanization and advances in technology, fewer and fewer people are going to be employed in those trades, although production will increase.

What we are concerned with here is that because of the growth centre concept that has been accepted by the federal Department of Regional Economic Expansion, the two areas that have been declared growth centres in New Brunswick are Saint John and

Moncton. We want to make sure that we do not have an influx of those unprepared people rushing into those centres because they know there is going to be growth and development, along with land in those centres being unprepared and the cities not being prepared to receive them.

The thinking behind the White Paper, I repeat, is to involve the community, and also to involve the different departments of government, because anybody who has had experience with government knows that all departments do not co-ordinate their efforts as they should. I am sure you have had that experience in New Brunswick. Senator McGrand, and you too, Senator Fournier. This is why we in New Brunswick, in order to try to cope with the situation, have to have complete co-ordination between the departments of health and welfare, education, labour, municipal affairs, and so on. If we can get the bureaucrats to think in that way then maybe we can get some place.

Senator Hastings: How are you succeeding?

Hon. Mr. Theriault: I am not ready to say yet that it has been a total success, because we are only starting.

Senator Carter: I would like to come back to the question raised by Senator Fergusson at the beginning with respect to family allowances, and I would refer you to page 21 of the White Paper, where at the bottom of the page you say:

If increased allowances are combined with changes in the Income Tax Act designed to remove the benefit from those that do not need it, the overall cost would not be great.

I have two questions to ask you. If you were to increase the family allowance, how much of an increase would you have in mind?

Hon. Mr. Theriault: I do not know if my people have given any thought as to what the figures might be. I am not prepared to suggest an amount at this moment.

Senator Carter: Have you any idea as to what would be adequate, based upon the surveys you have made?

Mr. D. J. Junk, Director of Research and Planning, Department of Health and Welfare, Province of New Brunswick: Quebec produced this paper in November, 1969 entitled: "Guidelines for a New Quebec Family Allowance Policy", in which they have worked out the increments of cost for additional children. It starts at

\$353 for the first child, and goes down to \$297 for the fifth child.

Senator Carter: Is that per year?

Mr. Junk: Yes, per year. They suggest—and this is really what we are talking about here—that there be some sort of system in which you start approaching this incremental cost of \$300 a year for about the fourth and fifth child, and perhaps down as low as the third child, and that you lower the amount paid for the first and second children. One of their suggestions as to how this can be restructured comes up with an additional cost for Quebec of something like \$29 million a year. I do not have a detailed breakdown, but that appears to be something like \$100 million or \$110 million for Canada. If you added in changes in the Income Tax Act which would recover some of the money from those who do not need it, by either taxing family allowances or reducing exemptions, you could reduce the cost to below that figure. It seems to us that a restructuring and a change like that would go a long way towards solving the problem, and it is something that could be done immediately and at reasonable cost to the country.

Senator Cook: Could you give us those figures again so that we are sure of what we are talking about?

Mr. Junk: They have done some calculations based on the assumption that the first child costs \$350 a year; the second child, \$322 a year; the third child, \$303; the fourth child, \$302—these are incremental costs per child—and the fifth child, \$297.

Senator Cook: Is this universal?

Mr. Junk: That is their estimated cost of looking after a child. Then they suggest a restructuring which would pay that incremental cost of \$300 for the fourth and fifth children, but not for the first, second, and third children.

Senator Fergusson: That is, they would not pay anything for the first, second and third children.

Mr. Junk: They have various alternatives here. The first is to pay nothing for the first child, but to pay something for the second child. Another alternative is to pay something for each child as per a graduated scale. The one that was estimated to cost \$29 million, if I can find it here, involved paying nothing for the first child, and something for each additional child. I cannot put my finger on it right now.

The Chairman: We will let Senator Carter proceed, and when you find it you can break in.

Senator Carter: I want to be sure that I have the correct picture of what this plan is supposed to do. This plan would be aimed at the family below the poverty level with the purpose of bringing them up to the poverty line? That total cost was related to that particular group, was it not, and not to a plan of universal application?

Mr. Junk: The total cost of \$29 million for Quebec, and \$100 million to \$110 million for all of Canada, was for a plan of universal application. That is the increase in cost over the cost of the present family allowances.

Senator Cook: That means that nobody would get anything for the first child?

Senator Carter: This is a new plan in which the bread-winner would look after the wife and the first child, or the first and second children, and the Government through family allowances would look after the additional children?

Hon. Mr. Theriault: Yes, in principle that is right.

Senator Carter: You talk about changes in the Income Tax Act to remove the benefit from those who do not need it. We had the same idea expressed yesterday by Ontario. We did not get much help from them as to just what changes they had in mind. They did mention a surcharge on the income tax. Have you pursued this idea very far?

Mr. Junk: I think that the method suggested was that family allowances should be included in income which would be taxed. This could then be compounded by a reduction in or an elimination of exemptions for children. This would result in recouping that money from the higher income groups.

Senator Carter: Yes, there are all sorts of alternatives and combinations of alternatives. You could impose an extra tax, or you could reduce the exemptions. Obviously, you would apply it only to the people who get the family allowance. If there is a special method of taxation, it would not apply to those people who have no children, otherwise you would be taking something from them that they did not get in the first place.

Mr. Junk: That is right.

Senator Carter: But you have not developed it to the point where you can say: "We will put a 10 per cent surcharge on the normal amount of tax"?

Mr. Junk: No, we have not worked it out in detail. There are a number of alternatives.

Senator Carter: He wants to recover \$190 million.

Hon. Mr. Theriault: If you accept the fact that you want to recover the whole \$190 million.

Senator Carter: Yes, from that particular group who pay taxes, receive family allowances and do not need them.

Dr. J. G. Clarkson, Deputy Minister, Department of Health and Welfare, Province of New Brunswick: The Income Tax Act would have to be restructured sharply in order to recover the whole \$190 million. We have to think in terms of contributing some money.

Hon. Mr. Theriault: We are in the unfortunate position in New Brunswick of not being able to consider a 10 per cent surcharge tax.

Senator Carter: At page 6 of your brief you say it is necessary to discuss the improvement of mechanisms and co-ordination of private and public concerns.

I presume this refers to your own province?

Hon. Mr. Theriault: Yes.

Senator Carter: In the next paragraph you refer to proceeding on two levels, with a new effort to co-ordinate and integrate the many related programs.

Could you expand on that? Are you referring to co-ordination and integration of programs under the Canada Assistance Plan?

Dr. Clarkson: There are many federal programs directed at tackling the same problem and that disparity of distribution of benefits.

There is the Unemployment Insurance Commission, which is looking after unemployment; the Department of Manpower and Immigration, which is really to some extent also concerned with unemployment; the Canada Assistance Plan; and the FRED and ARDA programs. In addition there is the vocational rehabilitation agreement.

If you consider these to be social services, health service programs are administered by the federal

Government. There could be a great deal more co-ordination between these programs. Furthermore, some of them could be amalgamated to tackle the basic problem in a very much more concrete fashion.

For instance, why is the Unemployment Insurance Commission not amalgamated with the Department of Manpower and Immigration; a much closer link between the Unemployment Insurance Commission, the Department of Manpower and Immigration and the Canada Assistance Plan; and provision in these programs to take into account one group of the disadvantaged, namely the physically disadvantaged, which in actual fact has a separate program all to itself under the vocational rehabilitation agreement?

These are some of the aspects we considered when stating that there has to be a much more co-ordinated approach on the part of the federal Government to the whole question of the disadvantaged.

Senator Carter: In the fourth line of the second paragraph of page 6 you state:

We are presently applying ourselves to this problem within the Province of New Brunswick and hope to soon greatly improve our methods of co-ordination.

Would you elaborate as to what exactly you are doing?

Hon. Mr. Theriault: We made a start in New Brunswick in trying to co-ordinate our health and welfare programs, for instance. We are making efforts to co-ordinate our mental health programs. We hope to integrate them as a result of discussions throughout the province on the White Paper. This does not mean total integration of the departments, but integration of educational programs.

For instance, in New Brunswick at the present time there is a movement afoot, which is common in some other provinces, for kindergarten programs. These are desirable, but if a kindergarten program is introduced in New Brunswick, who is going to benefit most from it? Again it is going to be those people who can probably provide kindergarten services for their children.

This is what we are trying to do and have done to some degree in New Brunswick. As Dr. Clarkson has pointed out, we feel that at the federal level there is room for some co-ordination and integration.

I have always felt, for instance, that the Department of Manpower and Immigration has not, in New Brunswick at least, provided the kind of services that they

should. I wish to make further reference to this, because there are a good many people from the Maritimes and Dr. McGrand mentioned the Tracadie area. The Department of Manpower and Immigration counsellor leaves Bathurst, for instance, and goes to Tracadie for half a day per week. What kind of services are they providing for those people?

I believe there could be greater co-operation and co-ordination between some of the federal programs and those of the province. I have attended a number of conferences where Ontario and, particularly, Quebec stated that manpower should be a provincial matter. While I do not say that for New Brunswick, when I see what is going on in some areas I understand why Quebec takes that stand.

It is improving now, but we have had trouble for years in even getting these people to come and talk to us about our welfare, training and poverty programs and problems.

Senator Carter: I can understand that the manpower programs are lacking in quantity. You say one person goes to Tracadie and is there half a day and what use is that? To my mind that is quantitative.

Have you any complaints with respect to the quality of the service? Even if there were two people going to Tracadie for a week, what type of services would you expect that you are not getting now?

Hon. Mr. Theriault: The Department of Manpower and Immigration is too much concerned with placing people with qualifications and abilities. Often those people would find jobs in any event. They are not sufficiently concerned with those people who cannot do it on their own. A person gets his cheque from the federal Government or the provincial Government and the taxpayer is paying it.

Senator Carter: It is geared to those people who have trades?

Hon. Mr. Theriault: Yes; there could be more co-ordination between the Department of Manpower and Immigration and our welfare officers, for instance.

Senator Carter: In the last paragraph on page 7 of your brief you state:

Present welfare benefit schedules do not reflect cost of living variations across the country nor do the services provided reflect the relative need for those services.

Are you now speaking only of New Brunswick, across the province or across the country as a whole?

Hon. Mr. Theriault: I am talking of the country as a whole, although the benefit levels are set at the provincial level. We have no choice when we set out welfare benefits. We have a choice by law, but we have no real choice because we have not got the resources.

Senator Carter: What I want to get at is this. Do the benefits in New Brunswick reflect the cost of living variations across the province?

Hon. Mr. Theriault: No. I do not believe the cost of living varies across the province that much, and I do not believe it varies across the country that much either. For instance, we are sure that the cost of living is as high or higher in the Atlantic provinces, specifically in New Brunswick, as in any other place in Canada.

Dr. Clarkson: I think the difficulty here is that just because New Brunswick and the Atlantic provinces pay low benefits, one feels it is cheaper to live in New Brunswick. The inference is not that. The inference is that the standards under which these people live are very much lower than the standards under which the poor of other parts of Canada live. The big question we want to pose it: should not it be fundamental to Canada as a nation to adopt minimum standards in terms of the health and welfare of its people, irrespective of whether they come from the Atlantic region, Ontario, the western region or any part of Canada?

Senator Carter: On page 8, in the last paragraph you say:

Provision of special federal assistance for the development of human resources similar to that provided under the present FRED agreement.

You say further:

In our case it would complement the economic development program now being implemented through the Department of Regional Economic Expansion.

My first question is this. When you talk about the development of human resources as provided under FRED, what resources do you have in mind?

Hon. Mr. Theriault: One that has been made possible under FRED is education. There has been special provision for upgrading education in the area covered by FRED which we think should apply . . .

Senator Carter: Is that not being continued under DREE?

Hon. Mr. Theriault: It is, but there are those two growth centres in New Brunswick of Moncton and Saint John, there is the FRED agreement covering Restigouche, Gloucester and one portion of my country of Northumberland, then there are the rest of the province that is not included.

Senator Carter: What you are talking about, then, is an application to the whole province?

Hon. Mr. Theriault: In our case. We are, of course, speaking for New Brunswick.

Senator Carter: Whereas DREE and FRED apply only to specific areas.

Senator Inman: On page 17 of the White Paper on Social Development and Social Welfare you speak about:

Persons living in poverty need especially to be informed of the opportunities open to them.

What has the Province of New Brunswick done to solve this problem? How can these people secure information about opportunities open to them?

Hon. Mr. Theriault: This really is a problem. It is probably not peculiar to New Brunswick but is applicable to all poverty areas. We believe we will have achieved something by publishing this white paper. Also we have had our local television stations put on what are called public service programs, in which they invite people from all walks of life, including welfare recipients, to participate. Then again, by establishing a task force that will go about New Brunswick and publicized, advertised, hold hearings, and bring in people from below the poverty line, whether they are the working poor or welfare recipients, eventually we might be able to make at least some of these people aware of their rights. We have recently instituted what we feel is a pretty broad appeals board under our welfare act in New Brunswick. True the ombudsman is there, but many of these people do not really...

Senator Hastings: They have no idea.

The Chairman: They do not warm up to them.

Hon. Mr. Theriault: Through this dialogue that we hope to get going throughout the province we believe we will make these people aware of this, and also try to involve people at the community level—and in the social agencies, and indeed all organizations that have as a goal the betterment of their community. We hope we can reach these people and make them aware of their rights.

Senator Hastings: You have established an appeal board?

Hon. Mr. Theriault: Yes.

Senator Hastings: But you have no representative of the poor on the appeal board?

Hon. Mr. Theriault: No.

Senator Inman: Up to date you have no special agency to inform these people?

Hon. Mr. Theriault: No.

Senator Inman: Do you have such a thing as legal aid?

Hon. Mr. Theriault: No, we do not have legal aid in New Brunswick yet. It is very much a live subject right now, as of the last session of our legislature. To my mind legal aid is a very basic service that should be provided. I do not know why this service cannot be provided under the Canada Assistance Plan.

The Chairman: Who said it cannot?

Hon. Mr. Theriault: I do not think the legislation allows it. Ontario says it does not anyway.

The Chairman: Not quite. No, Ontario did not say any such thing. Miss Crittenden mentioned that the minister said that it was not allowable, or words to that effect. However, you must realize the circumstances under which he said it. Ontario spends \$7 million for Legal Aid. The rest of the provinces spend very little. It meant handing over to Ontario almost \$1 million or \$2 million for legal aid and very little to the rest of the provinces. It was not the sort of position the Government could readily face. The Canada Assistance Act is a basic social act. Is legal aid a social need in the same way as medical aid, dental aid and drug aid, or is it not?

Hon. Mr. Theriault: I think in some cases it is.

The Chairman: It is up to you people to decide whether it is or not. Certainly I think it is, but it is up to you.

Hon. Mr. Theriault: Even if the cost-sharing were available under the Canada Assistance Plan, a province like New Brunswick is not able to cope with all these services because of the sharing formula at the federal level.

Senator Inman: On page 7 of the white paper you mention industrial development. I know you have gone into that in New Brunswick, but what other special programs do you have that are working? Do you have Headstart or Newstart, or anything like that?

Hon. Mr. Theriault: There is a Newstart program in one county of New Brunswick. I am not familiar with the total program. I think it is a total federal program. They think it is a total need program. It is more of a fact-finding program in a given poor area of the province. What will come from that program after they have geared all the facts? Whether this program will carry on with some basic working programs, I do not know.

Senator Inman: You do not have a program of trying to get people off small farms?

Hon. Mr. Theriault: This is being done.

Senator Inman: I was very interested in what you said about the manpower program. It is not very satisfactory in Prince Edward Island.

Senator Hastings: Mr. Chairman, I would like to commend the witness this morning for both the presentation and the profound knowledge and appreciation the minister has for this problem. We have covered about five areas of federal participation which seem to be inadequate. We have the family allowances which were designed for the sharing of wealth and distribution of the wealth. It is not working. We seem to have a consensus that the manpower programs are not working. You indicated that the budgetary limitations placed on you by the Canada Assistance Plan and the National Housing Act and FRED and ARDA are also not working. Do you agree with the statements, sir, that these are not working and are a failure because they were not designed to help the poor but to help the middle and upper incomes?

Hon. Mr. Theriault: I would not go that far. I am not prepared to say that these programs are not working.

Senator Hastings: They are not adequate.

Hon. Mr. Theriault: There is room for improvement. I think the country as a whole, including probably the Atlantic provinces, is a much better place to live in because of these programs. I do not believe in this changing age that any given program which was established 20 years ago can be as effective 20 years later, or even that it was meant to be when it was started. I do not have all the solutions; if I had I would not be here.

Senator Hastings: They seem to be inadequate to reach the people in poverty.

Hon. Mr. Theriault: They can be improved upon, but I believe that the shared cost programs based on a 50-50 formula have aggravated the situation in the poorer parts of Canada.

Senator Hastings: They have made the rich richer and the poor poorer.

Hon. Mr. Theriault: That is right.

The Chairman: I have a few basic questions. How many people have been on welfare in New Brunswick during the last two years?

Hon. Mr. Theriault: It runs between 50,000 and 60,000, which is roughly ten per cent of our population, including dependants and all.

The Chairman: You are saying total.

Hon. Mr. Theriault: Yes.

The Chairman: How many would you say in family numbers, four to a family?

Hon. Mr. Theriault: About 15,000.

The Chairman: Has it increased or decreased within the last year?

Hon. Mr. Theriault: We had a radical increase in 1967 when we took over the responsibility at the provincial level because up to that time it was left with the municipalities and, of course, the

poorer the municipality the lower the benefits were. Of course, when we equalized the benefits a whole group of people became ineligible.

The Chairman: The statement indicates that the increase was \$3 million in 1967. You are quite right on that, from fourteen to seventeen.

Hon. Mr. Theriault: Probably we have budgeted for seventeen.

The Chairman: From fifteen to seventeen.

Senator McGrand: Have you gotten those broken down by counties?

Hon. Mr. Theriault: It has increased in every county.

The Chairman: Has the number of families remained about the same or did it increase in 1968 and 1969? Never mind about 1970.

Hon. Mr. Theriault: From 1968 to 1969 I would say the increase was not that drastic.

The Chairman: What is your total budget in New Brunswick?

Hon. Mr. Theriault: \$450 million. If you include our loans, it was about \$475 million.

The Chairman: You spent approximately seventeen.

Hon. Mr. Theriault: That figure is for 1970-1971. We are spending about \$30 million.

Dr. Clarkson: Our budget for the current fiscal year is \$450 million. The amount of moneys budgeted for welfare services is \$30.6 million which is seven per cent.

The Chairman: All of the other Maritime Provinces are higher than that.

Hon. Mr. Theriault: Let me analyze our budget. Our budget in New Brunswick is probably the highest in the Atlantic provinces because of the fact that the provincial responsibility is much wider than in the other Atlantic provinces. The Government of New Brunswick is totally responsible for all educational costs, administration and construction, from grade one. It is not totally

responsible at the university level, but it is responsible for administration and construction. It is also responsible for our welfare, hospital services, administration and construction, and our justice expenditures. Our budget reflects the total municipal expenditure in that \$450 million. In Nova Scotia, Newfoundland and Prince Edward Island, these expenditures would not be totally reflected in the provincial expenditures. It is in Newfoundland to a considerable degree.

The Chairman: The figures we had from Newfoundland pretty well confirmed our own. The amount of money they spent on welfare as compared to what they had in the way of a budget were higher no matter what basis you put it on. In Newfoundland it is almost 15 per cent.

Hon. Mr. Theriault: That would be higher.

The Chairman: In Nova Scotia it is ten point something.

Hon. Mr. Theriault: They do not include municipal expenditures. We reflect the total municipal expenditures in our budget.

The Chairman: You are lower, not higher. They do not reflect at all. They only reflect the provincial. They have about 10.6, and you reflect all and you have about 7 per cent.

Hon. Mr. Theriault: It makes our budget higher in comparison.

Senator Fergusson: That is why the percentage is lower.

The Chairman: When you speak of family allowances are you considering youth allowances? Does the youth allowance help you at all in your province?

Hon. Mr. Theriault: It helps a little, but for a poor family that \$10 youth allowance doesn't go very far. It would not even provide the child in high school with petty cash to buy his lunch at the cafeteria.

Senator Hastings: The child of the poor in all probability is not in school.

Hon. Mr. Theriault: In that respect we have improved greatly.

The Chairman: The province is responsible for education now. It is not at the local levels.

When the sharing and equalization formula came in in 1966 or 1967, did your province raise objections to it at that time?

Hon. Mr. Theriault: I was not the minister responsible, but I would expect the end result was the same as my experience has shown in the federal-provincial conferences: they look for a consensus, and when they get agreement from Ontario and Quebec that is consensus.

The Chairman: Mr. Minister, any time they get agreement from Ontario and Quebec that is a miracle; it is not a consensus.

The position of the maritimes has been placed squarely before us and we understand it perfectly. We believe the formula is unfair to the maritime provinces. The question is how to solve the problem. An agreement was made with the provinces for sharing benefits. That agreement has continued throughout the last three years. In 1967 or 1968 you became aware of the seriousness of your position with respect to finances. What has been done since then?

Hon. Mr. Theriault: Actually, from the federal point of view, nothing. But what has been asked for is a different story, and this is not the first time we have asked for it. I can only go back as far as am concerned personally, to my first conference of 1967 when I became responsible for this program. The situation is not quite as bad now as it was, but we still have people leaving New Brunswick to go to Toronto, even if only to be on welfare in Toronto. In that way what the Government of Canada is actually doing is spending 50 per cent of the cost of the person's move to Toronto, and that is costing the Government of Canada more in many cases than it would if the Government paid the 100 per cent cost of keeping the person in New Brunswick.

The Chairman: What is your maximum allowance?

Hon. Mr. Theriault: Our benefits are shown in our White Paper at page 43, table 6.

The Chairman: I see there a monthly budget of \$207 for a couple with two children. You have indicated that is inadequate but that there is nothing you can do about it.

Hon. Mr. Theriault: It is impossible to do much better for two reasons: first, our resources are limited and our taxation is high. Some people say our taxation is the highest in Canada. I would not go that far, but I would say it is just as high as anywhere else in Canada.

Senator Fournier: I say it is higher.

Hon. Mr. Theriault: If you take the municipal tax structure into consideration it is not the highest, but it is as high as people can afford to pay.

Second, and this is perhaps true of the country as a whole, the majority of taxpayers have to be made familiar with the problems and circumstances in which these people live. I would include, of course, our people in the Treasury Board.

The Chairman: You mean the federal Treasury Board?

Hon. Mr. Theriault: I would hope so, yes, both at the provincial level and at the federal level.

The Chairman: Looking at table 6 on page 43 of your White Paper, Mr. Minister, I notice that the recommendation of the Economic Council for the 1961 level was \$400 lower than the 1969 level. It was \$1,500 compared to \$1,900. The committee can see from that what the province of New Brunswick is up against. The figures speak for themselves.

Mr. Minister many of the senators have made the point that the educational qualifications under the Manpower Act make it almost impossible for people to qualify. As you say, they are trained people with whom they are dealing. But there is a provision under the Canada Assistance Plan for a Work Activity Program in which the province sets the standards. Under that arrangement, if a person has no educational qualifications at all, the province can train him for a particular activity and the federal Government will pay 50 per cent of the cost of the training activity. Has the province of New Brunswick taken advantage of that opportunity?

Hon. Mr. Theriault: No.

The Chairman: Why?

Hon. Mr. Theriault: Money.

The Chairman: You cannot afford it. I see.

Dr. Clarkson: I don't wish to belabour the point about manpower, but I think I should point out that it is not quite correct to say that manpower will not give assistance to persons unless they have grade 12. They do have upgrading programs. Our concern, however, is that manpower tends to act as the representative of the employers rather than the representative of the employees. Manpower tends to go out and search for jobs for the employer rather than search for jobs for the employee. That is our major concern with respect to manpower.

The Chairman: Mr. Minister, we have had evidence before this committee to show that it is a fact that there is a lack of uniformity of allowances across the country. In view of that, and in view of the limit that you have on the allowances which you say are unsatisfactory and unrealistic in respect of larger families, and in view of your limited resources, what is your opinion of income support being on a uniform basis across the country? Bear in mind that the ability to pay taxes is proportionate to the need for income support: both depend upon the means of the family, and there is very little difference, practically, in the extra-provincial taxation between provinces.

Hon. Mr. Theriault: We stated our position, Mr. Chairman, when we said that the federal Government's responsibility should be to see that a minimum standard of services is available to all.

The Chairman: We are talking about income.

Hon. Mr. Theriault: Well, income would surely go a long way, but if you look only at income provided to individuals, you are not equalizing opportunities, because minimum income would not provide housing, for instance, and under the present system the richer provinces can take more advantage of the housing policies of Central Mortgage and Housing. This would be a start. But I think as far as New Brunswick is concerned, we must recognize that we cannot as a provincial jurisdiction at this time think of a guaranteed income on the provincial level.

The Chairman: Mr. Minister, we were thinking of it from the constitutional point of view. Constitutionally, income comes from the federal Government and services come from the provincial Government.

Hon. Mr. Theriault: What is your definition of services?

The Chairman: Well, services—social services. That is one definition I can give.

Hon. Mr. Theriault: But what is your definition of social services?

The Chairman: My definition of social services would involve the disadvantaged people, the blind, the crippled, the aged and making it possible for these people to make the best use they can of whatever income they have. To be rehabilitated wherever possible by guidance and counselling. This must be done at the provincial level. One might call it rehabilitation and counselling services.

Hon. Mr. Theriault: But in all social service programs, ways and means must be found so as not to totally destroy the incentive to work. If Canada ever succeeds in bring about a guaranteed income, I hope the same mistakes will not be made that we have made when we implemented our program under the Canada Assistance Act because there we did not provide for the incentive to work. If you say to a breadwinner, the head of a family "you are going to get \$4,000 a year whether you work or not", and if there is a job available for him at \$3,600 or \$3,000, well, if he takes it, he is still only going to get the \$4,000 in which case the statement I made earlier regarding the 95 or 99 per cent of people now on welfare who are willing to work might not be true in 20 years from now.

The Chairman: But that situation exists in your province now because you are helping the working poor. In your province, if a man is earning \$250 a month, and if on welfare he would be entitled to \$300 a month, you make up the \$50 difference to keep him working.

Hon. Mr. Theriault: Yes, but on the other hand we say to the head of a family now receiving \$150 a month, and this particularly applies to single-parent families, particularly women who are deserted or widowed, "if you are entitled to \$150 a month on welfare and if you take a job at \$160 a month, you lose the total welfare benefits." And of course if such a person works, they have to spend more than if they were not working because they have to dress better which usually costs more and they have to pay for transportation. But, as I say, if this person gets a job at \$160 a month, while under welfare she would receive \$150 a month, then she does not get anything.

Senator Fournier: She works for \$10 a month.

Senator Fergusson: She is in fact worse off.

The Chairman: In those circumstances, do you think the province would be further ahead in making a contribution to keep them working. In some provinces in those circumstances they give them medical care, dental care and drugs to ensure that they receive some useful benefit. You have been assisting the working poor for a couple of years to a greater extent than anybody else. What has been your experience?

Hon. Mr. Theriault: I think our experience in helping the working poor, while what we have provided has been minimal, has been one of the good facets or our program.

Senator Fournier: Mr. Minister, I have some questions, but before putting them, I am going to praise you a little and then I am going to blame you a little. First I want to praise you for your attitude towards the CMHC. When you say it is a vicious circle, I agree with you. I have said worse things than that about them on many occasions publicly myself. You are talking about people moving to Toronto and outside. I can give you a short example in a few words. Right in my own region we have eight school teachers who bought lots, and they all had about \$8,000 in the bank ready to build homes. They have been waiting for a couple of years and CMHC will not even talk to them. I think it is a crime and I think it is waste and it is a scandal. If you follow the policy as it is laid down here, there will be 10 miles with nothing at all between different communities. That is against my policy. We should try to spread out and build up the country that way. There are some stubborn bureaucrats in this office and I could give you the names but I do not want to put them on record.

I want to talk about abuses in the social services, and I am sure you are aware of some of them but probably you are not aware of all of them. Most of the abuses here in New Brunswick are coming through what I call credit cards, provincial credit cards. The poor have these little cards in their pocket and they have an open door to medical care, dental care and anything else they need. That is something I do not have but many people do have. I understand you have something like 35,000 credit cards in circulation and there is a lot of abuse in connection with these credit cards. I am going to give you some examples. I don't know whether you have corrected some abuses, but I hope you have. I have some notices of enquiry which reveal some of the

facts of what I am saying and I am sure you have seen these notices of enquiry.

Hon. Mr. Theriault: I have answered them.

Senator Fournier: I know you have, because I have your answer here. Now I want to refer to this, and it reads—"under the Welfare Act, in each district in the province, April 1st, 1968—" that was the latest available date. I do not think it is the latest available date but I think it was in 1969. Now I do not intend to read all of these by any means, and I do not intend to present the one about the dental society because it is worse than this. During the discussion, you have mentioned the Tracadie region here, so let me give you some figures of what took place in the Tracadie region. In that area you had 14 doctors who operated mostly under this credit card system, and those 14 doctors have collected among themselves something in the region of \$270,000, which makes for an average of about \$19,000 per doctor. One doctor collected \$1,000, another one collected \$14,000, another one \$4,000, yet another one \$8,000—I am not giving the hundreds—another one \$34,000, another \$13,000, another \$23,000, yet another \$17,000, another \$1,000—that must have been some great oratory, I would say,—and the next one is \$32,000. Then there is \$7,000, \$7,500, \$11,000 and \$20,000, all under welfare.

Mr. Minister, if you are going to tell me there were no abuses, there is something critically wrong with my hearing.

Senator Hastings: Could the Minister explain this?

Hon. Mr. Theriault: I am quite familiar with this situation.

Senator Hastings: What is this credit card? This is interesting.

Hon. Mr. Theriault: When he speaks about the credit card, our welfare recipients are provided with a card, what we call a medical card, which entitles the welfare recipient to go to a doctor and his doctor's bills are paid. It entitled him to dental care. I will come to what we have done about it, although I regret we had to do it. He goes to the drug store and he is supplied with drugs.

Senator Hastings: Prescription drugs?

Hon. Mr. Theriault: Yes.

Senator Fournier: Glasses?

Hon. Mr. Theriault: Yes, the optometrist or the ophthalmologist provides him with glasses or an eye refraction or whatever he needs.

Senator Fournier: Little aches and pains here and there?

Hon. Mr. Theriault: This is what I say is lacking in New Brunswick and across the country, the knowledge of the conditions under which those people have lived for years. If you take dental care, for instance, there are hundreds and thousands of families in New Brunswick—as I am sure there are across the country, especially large families—that were never able to afford to see a dentist. Now you put at their disposal a program which entitles them to go to see a dentist. These persons are 40, 50, 65 years old, they have children ranging from six to 18, and they have never seen a dentist.

In a number of cases the dentist has no alternative but to take this person, who has three or four old hooks left in his jaw, into the hospital, and he pulls them out and has to give him a denture. Often it happens in cases of children of 10, 11, 12, or 13 years of age.

You can say these are abuses. I am not saying that there may not be a few exceptions, but to my mind it is not an abuse but is providing a service which society should have provided at least 50 years ago in our country. When you talk about those doctors, what you fail to say is that these doctors in that area—and this is not good—also provide their own drugs, which I do not like. I do not know what the medical association can or should do about it. I have some ideas on it, but maybe I should not say what they are right now. This includes medical and drug services. And why there is such a difference between one doctor receiving \$1,000 and another receiving \$75,000 or \$87,000, or something . . .

Senator Fournier: I have not got that one on my list.

Hon. Mr. Theriault: Maybe your list is not completed—is because you have a number of doctors who will not see these people. We have talked about 38 per cent of the population at a given

time depending on public assistance for a living, but you have another 62 per cent of the population that pay their own doctor bills and have their own Blue Cross, Blue Shield or private insurance. A number of doctors will not see the welfare recipients, and often they have to pay a dollar even to come into their office. As far as our program is concerned in New Brunswick—and I defy anybody to say otherwise—we could not care less about and politics does not enter into the picture. I do not care what a doctor's politics are. What I care about is that he provides services to people who need them. This is why you have one doctor with \$75,000 or \$85,000 and another with \$1,000, because some of the doctors will not see those poor people. Like one of the union leaders said, they do not smell good enough.

The Chairman: You do not have Medicare?

Hon. Mr. Theriault: No, not up to the present time.

The chairman: You provide your welfare recipients with this service that you have mentioned?

Hon. Mr. Theriault: Yes, the welfare recipients. Unfortunately, and probably what is in your mind, Senator Fournier, is that what we have done to correct the abuses was forced upon us by public opinion and because these questions were raised in our legislature the way you have raised them here. We were forced to impose a deterrent charge, and now a welfare recipient has to pay \$2 for every prescription he has filled, and, believe me, often times they have not got the \$2. They also have to pay 50 per cent of the cost of a denture, because one dentist who had worked mostly for welfare recipients happened to be a member of the legislature and had taken in \$75,000 and there was a public outcry. But I believe that before a deterrent charge our program was a much better one than it is now. Because of public outcry and because the dollars were not available we had to impose the penalties on the poor people. I am not saying doctors are not human. I am not saying one doctor does not supply more drugs than he should or would prescribe if he were sending his patient to the drug store. We have to deal with human beings as they are. Whether you are a doctor, senator, minister or anyone else, there are the human elements of life involved. But believe you me, when it comes to doctors, you had families in a certain area with seven, eight, nine or ten children. You talk about a headache. When we have a headache, we take an aspirin; but in some cases they just did not have an aspirin, so they went to the doctor.

In New Brunswick, until this became a public issue, many people felt strongly about this. For a year after I became Minister responsible for welfare, I could not go anywhere but that someone would come up to me and mention this. My standing answer is, "Provide me with a name and a case of a person who is abusing the program." I am still waiting for names.

Senator Fournier: Mr. Chairman and Mr. Minister, I certainly appreciate the way you defended your case, like a gentleman. I like that kind of debate. You and I could argue on these things and I could cite many cases, but we will get nowhere. We are well aware of the situation, but I think the \$2 you impose today has cured some of these abuses I know of, and I could give you some shocking examples. In the first place, that \$2 they get from the welfare and it does not cost them anything.

Hon. Mr. Theriault: But it comes from their regular benefits, and their benefits are low.

Senator Fournier: I will give you another example of a credit card. I know a railroad trainman who must get about \$6,000 or \$8,000 a year. Not very long ago he took his brother-in-law's credit card and got a upper plate from the dentist. I am not going to give you the name because I am not that type, but these things happen. I think the dentist was guilty because I am of the opinion that he knew the man was not the bona fide holder of the card, because in an area like that, in which my home is, they practically know everyone and everything.

Hon. Mr. Theriault: There is a regulation under our legislation by which, if we could get the name, this man would be prosecuted—not only the dentist, but the brother and the holder.

Senator Fournier: Mr. Minister, you are aware of all these things and I am confident that you have taken some action to correct them. I can very well see that a couple of years ago these things went sky-high, but you were not aware of the things that were taking place. I say there was too much politics involved. Maybe you are not aware of that. It is not done at your level, but the local level. There are people who are screening recipients, and if the recipient is a Tory it is very difficult for him to get something. I know what I am talking about.

Hon. Mr. Theriault: I wish, senator, you would provide me with names. Let me explain the situa-

tion. When we took over that program we took on every municipal employee. You get it from one side of the fence, and I get it from the other side. The ones who come to me say: "We can't get anything because we are Liberals. That municipal employee was a Tory when he was hired and he is still working for the Tory party." These things do not impress me very much. There might be a few exceptions, and I think there will always be exceptions as long as you are dealing with humans. But, our files are open. The *Telegraph Journal* writer came to my office and looked at the files from A to Z. We get hundreds of letters a day, and a standing answer goes out under my signature to all of those people who complain saying that I will not give any direction to the regional offices, and that the regional directors are the ones that decide because they know the situation.

Senator Fergusson: Mr. Chairman, I should like to say that I do not think Senator Fournier has the right to put cases that he says he knows about on the record unless he is prepared to give the names and addresses.

The Chairman: We do not want names.

Senator Fergusson: Anybody can say anything.

The Chairman: Has not the minister met the situation?

Senator Fergusson: Yes, very well.

Dr. Clarkson: There may have been an implication in Senator Fournier's comments that the poor abuse physicians' services and health services. Personally, I do not think the poor abuse physicians' services and health services, and perhaps I can point out some statistics that demonstrate this.

First of all, in New Brunswick, when compared with the rest of Canada, the doctor-population ratio is reasonable, but when you look at New Brunswick in detail you find that the doctor-population ratio is extremely low in the northern part of the province. In northern New Brunswick there is a great shortage of doctors. In the same areas of northern New Brunswick there is a large number of families on welfare, and this automatically makes it difficult for those families, particularly those in rural areas, to obtain health services.

In addition to that, if you look at the cost of health services on a per capita basis you find that the per capita cost for medical services under the welfare program is approximately \$23, while if you look at the figures now coming out for the national medical care plan you find that the cost is \$50 per capita.

Senator Hastings: The rich get sicker.

Dr. Clarkson: This would seem to negate the comment that the poor families are abusing medical care services.

Also, we know that the rich tend to use medical care services to a greater extent than do the poor. Furthermore, when you realize that the poor, by and large, are less well educated than the rich, and that the rich find it difficult to decide when they need medical services, then you will understand that it is extremely difficult for the poor to determine whether they should be seeing a doctor. You must remember that everybody is confused about when they should see a doctor. On the one hand you have the medical societies saying: "We are going to be snowed under by trivial complaints", yet the Cancer Society flashes on the TV screen every day: Prevent cancer with a cheque and a check-up. If this does not confuse the public, then I do not know what does. The moment you say that the public is over-using doctors' services then you are assuming that the public has the ability to determine when it needs those services.

Senator Fournier (Madawaska-Restigouche): Why do you not tell us who sponsors those commercial messages. They are sponsored by the medical societies themselves. They want the business. Thank you, Mr. Minister.

Senator Fergusson: Mr. Chairman, I have noted many things, but it seems that they have been answered. I particularly wanted to ask how sympathetic New Brunswick is to providing assistance to heads of families who are working full time, and I think that has been covered. One suggestion made to this committee is that there is not much profit in spending money on training and re-training people when there are no positions open for them when they are trained. There is a high rate of unemployment in New Brunswick, and I wonder how you feel about that.

Hon. Mr. Theriault: It is true that we have a too high rate of unemployment in New Brunswick, and this presents a problem when you are dealing with the federal Government. I can understand some of the problems that the federal Government has in its fight against inflation, but, believe me, in New Brunswick we do not need measures to fight inflation; what we need are measures to expand the economy, and the federal Government has not found a way of dealing with this problem on a regional basis. The fact of the matter is, Senator Fergusson, that a large percentage of our unemployed are in the untrained and unskilled labour force, and at any given time in New Brunswick, in spite of the lack of employment opportunities, there is some demand for some skills and training. We are finding that new industries coming in are bringing in people from outside. This is good, and we welcome those people, if the skills are not available in the province.

Senator Fergusson: But if you had them trained then they could fill those positions.

Hon. Mr. Theriault: That is right. We need the population, and the skills, and the education. For too long people have been moving out of the province, and if they are starting to move in from other parts of the country then we welcome them, but I do not think we have reached the point yet where we can say: Why train people? After all, if a young man or woman is able to receive training at one of our trade or technical schools, then even if a job is not available in New Brunswick they can find one elsewhere in Canada, and they become productive members of society, and thus pay taxes and help to reverse the trend. I do not think we have reached that stage yet.

Senator Fergusson: I want to come back to the matter of kindergartens. We have heard a lot of evidence about how extremely important it is for children of below school age to have some training if we are going to lift them above the poverty level. I quite agree with what the minister has said. If we set up kindergartens in New Brunswick now we will probably be helping the people who do not need that help—the people who can send their children to kindergarten at the present time. Is there anything we can do to train those children who are under school age and who have no opportunity of receiving any training? We have had it pointed out to us very often that the whole future of the child may depend upon what happens to him at that stage of his life.

Hon. Mr. Theriault: I do not think that this is something that can be achieved overnight, and probably the problem will never be completely solved. However, I think we can approach it by instituting what are commonly called home-care programs. There are already operating in Canada home-care programs for the very young. You see, this becomes very involved. The basic need is for housing. I agree with Senator Fournier. In Toronto or Montreal it is not uncommon for a worker to travel 25 or 30 miles by subway or bus, on streets packed with traffic, to get to work. It seems to me that the future of this country, if we are going to have heavily populated centres in Canada, depends largely on people. New Brunswick and the other Atlantic provinces are ideal areas for the development of communities that are 25 to 30 miles away from where people have to work. I am thinking of your area of Edmundston, and my own area around Bathurst and Saint John. Under the present program everybody is flocking into those centres, which are sometimes not properly organized or planned. This has already happened, in my view, in cities like Toronto, Montreal and New York. People rushed into those big cities 50 years ago and there are now real problems there because it was not properly planned. There are slum areas which are probably worse than any other given area in the world.

With proper planning this can be prevented. A person working in Edmundston does not necessarily have to live there. He can go to St. Basile, St. Jacques or other places where he will be happier.

However, under the Central Mortgage and Housing Corporation procedure he is forced to move to a little lot where the services are available in that town or city, in order to obtain a mortgage or subsidized housing.

I am afraid the problem is not being properly tackled.

Senator Fournier: Did you ever discuss that problem with the authorities in Ottawa?

Hon. Mr. Theriault: Most decidedly. I take pride in the fact that I was minister of municipal affairs when the New Brunswick housing corporation was created. I look upon it as my creature, but it is not doing what I hoped it would. However, it has been a great help.

Senator Cook: In what way are the minimum standards of the Central Mortgage and Housing Corporation too high or difficult to meet?

Hon. Mr. Theriault: Because 15 or 25 years ago there were communities in New Brunswick known as good rural communities. Their housing standards were fairly good for that period.

If a boy is working at the pulp and paper mill in Newcastle or Chatham, in my own area, earning fairly good money and would like to build in this area 10 miles away where the basic services are not provided. . .

Senator Cook: Which are what?

Hon. Mr. Theriault: Water and sewage.

Senator Fournier: And they do not accept artesian wells.

The Chairman: They do accept artesian wells in some areas.

Senator Fournier: They do not any more.

Hon. Mr. Theriault: They do for senior housing.

Senator Fournier: But not for individuals.

Hon. Mr. Theriault: They will not accept it for low rental housing.

The Chairman: Will they not take limited dividend housing?

Hon. Mr. Theriault: No. I have been endeavouring to arrange this for my own community.

Senator Cook: Should another agency not be set up?

Hon. Mr. Theriault: It is a vicious circle, because the cost of providing water and sewage in these communities is prohibitive.

Senator Cook: Not artesian wells and septic tanks.

Hon. Mr. Theriault: No. Assistance is being given for the provision of services in the growth centres of Saint John and Moncton. If this assistance were provided for the surrounding communities, in 10 or 15 years time there would be better sleeping and living quarters there. This would be better than forcing people to go to Saint John or Moncton.

Senator Cook: If the Central Mortgage and Housing Corporation will not lower their standards, should provision not be made for some other agency or subsidiary?

Senator Fournier: They were accepted by them at one time.

Hon. Mr. Theriault: They were never accepted as a general principle. As far as I am concerned exceptions were made.

Senator Fournier: Yes, they certainly made many exceptions.

The Chairman: Who did?

Senator Fournier: The Central Mortgage and Housing Corporation. Four or five years ago one could build out in the country. 15,000 square feet was needed a certain distance from the well and cesspool. All these regulations were incorporated and followed. All of a sudden someone closed the door and there was no more of this.

Senator Cook: Has this been the subject of representations from the provincial Government to the federal Government?

Hon. Mr. Theriault: I am sure that the brief which the New Brunswick Housing Corporation presented to the federal task force placed much emphasis on this problem.

Senator Cook: Have you a serious problem in New Brunswick arising from isolation?

Hon. Mr. Theriault: Yes. I am not suggesting that every little community 50 or 60 miles in the back country should be provided with the services.

Senator Cook: I am thinking generally, not only of housing, but in tackling the problem of poverty. Have you a serious problem arising from isolation of communities and families?

Hon. Mr. Theriault: It is a problem. I do not think we would consider it major, but it is part of the problem.

Senator Cook: Have you any program for resettlement?

Hon. Mr. Theriault: Yes. We are using all the means at our disposal. The Department of Natural Resources is working in conjunction with the Department of Highways, which has to maintain 30 miles of road in some cases for three or four families. School buses have to be provided for them.

While we are not forcing anyone to move, I know of cases where the Department of Natural Resources will buy these areas and include them in Crown lands. The people living there are provided with funds in order to relocate.

Senator Cook: Have many families taken advantage of this?

Hon. Mr. Theriault: Very few.

Senator Cook: I have nothing more, except to thank the minister and the witnesses.

Senator McGrand: In what particular areas of the province is the Department of Natural Resources buying people out?

Hon. Mr. Theriault: I am not familiar with the individual cases. However, I have heard discussions between the Minister of Highways and the Minister of Natural Resources with respect to the county of Kent.

Senator McGrand: That is in preparation for the park.

Hon. Mr. Theriault: No, there were other areas. There is provision in the FRED agreement for Restigouche county, but this has not been so successful as was hoped.

I repeat that it seems that people prefer driving 25 or 30 miles to their work than moving.

The Chairman: That is not unnatural, Mr. Minister; we hear that from quite a number of people. It is very difficult to give up a community.

Senator Carter: What was the amount set forth in the Quebec plan for family allowances?

Mr. Junk: This is not the plan, but the amount they said it would cost per child.

Senator Carter: My point is that they did not make any variations for different ages.

Mr. Junk: No, they did not. I do have those figures.

Senator Carter: They had the same figure for an infant as for a child of 14 years.

Mr. Junk: No, they were average figures. Variations would be applied by age of child, but they did not attempt to cover that in their paper.

For example, the average of the family allowances now is \$81 per year right across the six-, eight- and ten-year age brackets. One of the alternatives that they suggested was nothing for the first child, \$80 a year for the second, \$130 for the third, \$168 for the fourth, \$195 for the fifth, and \$225 for the sixth and succeeding children.

Senator Carter: What they did was add the averages together and arrive at a formula.

Hon. Mr. Theriault: I think there are some countries in the world that have that system, or something similar to it. I believe France is one country that uses this to quite a degree.

Senator Carter: Yes, I believe so. Another point, which I think the Chairman raised, concerned the agreement between the provincial and federal governments under the Canada Assistance Act. In case 10 you talk about the arbitrary 50/50 cost sharing. I think you have covered this, but I am not quite sure whether I got the answer. When you say this is an arbitrary 50/50 formula, do you mean the federal Government said, "This is it. Take it or leave it"?

Hon. Mr. Theriault: Oh yes. I know that at the time there were discussions, and I am told that at one period the federal people were thinking seriously that this was not the right formula for the poorer provinces. I believe they have accepted this now, because in my humble opinion this is proven by the fact that they are sharing in medical care programs.

The Chairman: The federal Government gives two answers to that. The first is that the 50/50 formula was better than you previously had; and secondly, there was an equalization formula that made up for the difference. Then they go on with one more thing, which they say rather sotto voce, that the equalization aspect is being used for other purposes than welfare.

Hon. Mr. Theriault: Of course, equalization started before welfare, so they cannot use that one very effectively.

Senator Carter: You are talking about the equalization grant now.

Hon. Mr. Theriault: Furthermore, I think the equalization formula was devised to help keep up, but never made allowance for catching up.

The Chairman: But you see, the equalization formula was changed in 1966. You will note that when this agreement came into effect there were changes in the equalization formula. That is what they say.

Hon. Mr. Theriault: Let us be honest about this. Let us take east of Ontario, including Quebec—some parts of Quebec are different, but eastern Quebec—the total Province of Quebec and every Atlantic province have as high or higher total taxes than any other province. We are not able to provide the same level of services. We have had governments of the two main political parties at one time or another, and I am sure each has tried to do its best. No amount of money is being squandered, although there may be small exceptions here and there, which can be found probably anywhere. For instance, our sales tax is 8 per cent; Ontario sales tax is 5 per cent. We know that per capita the 5 per cent in Ontario brings more than our 8 per cent sales tax in New Brunswick. With income tax we have the same situation. Nothing that has yet come from the federal Government really achieves equalization. It helps but it does not equalize.

The Chairman: Mr. Minister, what I have a hard time in understanding is that in your dealings with the federal Government you accept equal treatment for at federal income tax purposes; we all pay the same uniform rate. Yet, at the income level it varies greatly, not depending on the cost of living. Where are the protests about that. I have been here many years, as have others, but where has that point ever been made? You do say this in the sequel to Equitable Sharing of Costs, and lately you have said you wanted more money. But since 1967 there has been inequality in maintenance across this country, yet equality in taxation. Where are the protests from governments that are hurt in that fashion? The Maritimes are hurt.

Hon. Mr. Theriault: I do not know, but I have heard it from Premier Smallwood every time we meet. I am sure our province has protested. I have heard it at

conferences from ministers from Nova Scotia and P.E.I. every time I attend. What do you do? What do you call protest? Do you want us to take to the streets?

The Chairman: I agree that every one of these premiers has time and again made the point that it is no use talking about 50/50 sharing, that it is no good for some rich provincial treasuries but it is no good for others. But I have never heard the point made with reference to the people in need on welfare. That is what I am getting at. They have made it broadly for provincial treasury purposes.

Hon. Mr. Theriault: Let us accept the fact the poor are a minority. They are a big percentage in New Brunswick, but still only 10 per cent of the voters. I mean the destitute poor on social assistance. They are not very well organized. There have been pioneers in this field, and thank God there have been. I think in that respect of Senator Fergusson in New Brunswick, and others. But none of us has been as concerned as we should have been. I have had experience in municipal politics, from the lowest level to my position as the minister responsible, but never was I as concerned as I am now, because I am now directly involved. The majority of the people are not directly involved.

The Chairman: Mr. Minister, you are a grass-roots. How do we involve the people in this? The problem is there. You are very knowledgeable. How do we involve people in this country in this poverty problem. How do we make them aware of it? How do we make them feel they have a stake?

Hon. Mr. Theriault: I do not know how many copies we have of this, which is an address or speech given by the Premier on our TV program in which he suggests some of the ways in which we can involve them. The conscience of the country is awakening to the fact that something has to be done to deal with this problem.

Senator Hastings: It seems a strange indictment against the middle and upper class, the point you just made with respect to medical care in that particular county. The first time you have them involved they put a penalty on the poor to keep them sick. That must surely be our greatest objective, educating the middle and upper classes as to their responsibility.

Hon. Mr. Theriault: In my case, as the minister responsible, if it had not been for dollars I would never have accepted it. Dollars were just not available

in spite of the fact that there might have been some exception in some cases.

Senator Hastings: There was never a government program that was not abused. Surely we are not going to institute programs on the basis of the one or two percent who abuse them.

Senator Carter: I would like to pursue this a little further. These agreements have some kind of mysteries. Is the agreement between New Brunswick and the federal Government identical to the agreement between Nova Scotia and the federal Government?

Hon. Mr. Theriault: I think they are available in identical ways, but all provinces have not been able to take advantage of them in an identical manner.

Senator Carter: I realize that. There is the implication that you have got this 50-50, and we all agree with that, but the reason we agree is that there were some fringe benefits on the side which made up the difference for the smaller and poorer provinces. I have not been able to pinpoint what those fringe benefits were.

Hon. Mr. Theriault: I felt this was the case in Newfoundland, but I am not sure.

Senator Carter: There were no fringe benefits in New Brunswick. In your case it is just an arbitrary 50-50 which you had to take.

Hon. Mr. Theriault: It was better than what we had.

The Chairman: They say that it was better than what you had and we changed the equalization and the present base is 50-50. We know now and they have known for sometime that the equalization would not work.

Hon. Mr. Theriault: Pardon me, but I hope nobody at the federal level, either elected representatives or bureaucrats, are saying that it was better.

The Chairman: The 50-50 was better.

Hon. Mr. Theriault: I hope they do not say it.

The Chairman: They said it with money.

Senator Carter: I would like to look at table six again. You have \$60 a month across the board for rent. If a person owns his own house

or is living out of the country you cut off that \$60.

Hon. Mr. Theriault: Right.

Senator Carter: And replace it with something for maintenance?

Hon. Mr. Theriault: Yes.

Senator Carter: And he is out.

Hon. Mr. Theriault: This aggravates the housing situation. Sometimes when the breadwinner of a household dies his widow has to depend immediately on public assistance, and she gets \$123 a month to raise her family. If a door falls off its hinges, through special permission we can replace that door. Anything over \$500 has to be approved by Ottawa before we can do anything about it.

Senator Carter: Suppose a fellow is living in an urban apartment and he cannot pay the \$75 rent, does the extra \$15, the difference between \$60 and \$75, come off his food bill?

Hon. Mr. Theriault: We have \$60 as a guideline, and if faced with a higher rent we pay it.

Senator Carter: He is not penalized.

Hon. Mr. Theriault: Of course it is a problem, but usually the rents available to welfare families are not much above \$60.

Senator Cook: Does the same apply to fuel?

Hon. Mr. Theriault: Fuel is paid.

Senator Carter: When you drew up this plan I presume you had some principle involved, but in looking at this it would appear that the fellow with four children is better off than the fellow with only three. How do you explain that? He is \$300 better off. He is only down \$1,000 where the other fellow is down \$1,300.

Dr. Clarkson: Economic Council standards go up \$3,000 or \$4,000 and maintain the same level for the family of four as the family of three. I think the Economic Council is wrong.

The Chairman: The Economic Council uses the figure of \$2,000 for one, and \$3,000 for two and moves up \$600 a child.

Hon. Mr. Theriault: Not here.

The Chairman: They have changed the rules on you. That standard now coupled with two children would be \$4,200 instead of \$3,500. Is there anything else, Senator Carter?

Senator Carter: Yes. The only difference between that family with the four children and the one with three is that the one with four has a child aged four and the others have children seven, nine and twelve. I suppose it is the difference between the child aged four and the child aged six. He gets \$17 for the child aged four, and you do not get that for any children older than that. The fellow with one child or the family with three would only get \$13 for a child of eight.

Dr. Clarkson: Perhaps it is best that I read what we give for food allowances according to the regulations. For food the ordinary allowance is as follows: for the first adult \$6, the second adult \$4, each additional person \$4, each child under 12 years \$3 per week.

Senator Carter: I take it this is the new scale you introduced when the province took over from the municipalities.

Hon. Mr. Theriault: I am afraid you made a point that 6 for food coupled with three children it is \$82, with four children it is \$99, and then coupled with two children it is \$73 and with three is \$82.

The Chairman: It is the age that makes the difference.

Hon. Mr. Theriault: One has reached the age of 12.

Senator Carter: Is this much better? You said before that when you took over there were great variations between municipalities. Is this scale here as good as that which the best municipalities had?

Hon. Mr. Theriault: It is better than the best.

Senator Fergusson: Is it better than they were giving in Fredericton.

Hon. Mr. Theriault: It is more comprehensive. As you know, before that the categorical pensions were fixed at a maximum. For example, the widow's allowance was \$115, I believe.

Senator McGrand: First, Mr. Chairman, I am going to make a request, if I may. As you know, Mr. Minister, the poverty committee will be travelling through New Brunswick some time this summer. They will be in Moncton, Bathurst and the Miramichi area. I think they should see the area around Point Escuminac, and they should also go up through the Burnt Church area, Tracadie, to Tabusintac and the Neguac area. Sitting listening to people present briefs is not as effective as going and seeing the places themselves. I would request, Mr. Minister, that you provide not only transportation but a guide for the committee.

Hon. Mr. Theriault: We will give you transportation and a guide and we will do our utmost to have you accompanied by poor people. We will even offer you lodging in Brantville.

The Chairman: Mr. Minister, we accept with thanks.

Senator McGrand: Mr. Minister, the problem is to get the people aroused. I have received quite a few letters from people of rural areas complaining about the amount of money the Government is spending on relief. They say it only encourages people to get lazy. As I say, those letters come from people of rural background—the type of people you would expect me to know since that is also my background.

If as much publicity were given to the problem of poverty as is given to the problem of cancer, for example, there would be no trouble in getting people acquainted with the problem of the poor. We need to arouse the middle class people.

Hon. Mr. Theriault: During the height of the controversy last year, along with other ministers I was asked to appear on a panel before the Association of Professional Engineers in New Brunswick. That year our total budget for health and welfare was \$91 million, if I remember correctly. More than half of those engineers believed that the total budget was for welfare. They forgot that over \$50 million of it had been allocated to hospital services. Many are the editorials urging the Government to build new and bigger hospitals in Moncton and Fredericton, New Brunswick. I am not saying hospital services should not be expanded in certain areas, but the fact is that New Brunswick provides hospital services on a par with the average for Canada. It is

one area in which New Brunswick equals the other provinces. The number of hospital beds is equal to the Canadian average. Nevertheless, there are all these requests for more and better facilities; but there are few requests for better provisions for our poor people.

On that occasion I asked the professional engineers how many of them were against welfare. Almost 75 per cent of them were against it. I asked them how many were against mothers' allowances, and pensions for the blind and disabled. Ninety-five per cent of them were in favour of those things. They did not realize that almost 80 per cent of our welfare expenditures are for those latter categories.

Senator McGrand: They need to be educated.

Hon. Mr. Theriault: The main purpose of our White Paper is education. When you get people involved in discussing this problem you find that 99 per cent of the time they agree. The fact is they just don't know. Furthermore, there is a stigma attached to welfare. Perhaps the time has arrived to change the name, although that probably would not achieve much. The word "welfare" is poison to a lot of people who don't know anything about it.

The Chairman: The word "welfare" is poison to a lot of people on it.

Recently we had a recommendation on the study of Information Canada to the effect that information centres should be established in various parts of the country so that people can be advised what is available to them in the way of Government services. That would be under federal jurisdiction, so that it might very well include some provincial information. To that extent there is an attempt to get information to the people.

May I say to you, Mr. Minister, and to your staff how much we appreciated the thought and imagination and forward-looking ideas contained in your White Paper. It was a delight to hear that you were thinking about the problem of poverty and doing something about it.

We know how strapped you are for money. On the other hand, we realize how hard you are attempting to serve the people of your province with your limited means.

The discussion this morning was helpful to us. I hope it was helpful to you in understanding the problem we have before us.

On behalf of the committee I thank you and the members of your staff.

Hon. Mr. Theriault: Mr. Chairman and members of the committee, thank you for giving us the opportunity of appearing before you this morning. When your report is drafted and presented I hope you will give consideration to at least some of the points we have made. As we stressed to Mr. Munro, on behalf of the four Atlantic provinces when we presented our brief to him, while we know it is not an answer to all problems, nevertheless, we feel that in our

brief the federal Government has at its disposal suggestions that can help us tremendously in taking care of our destitute at least on a short-term basis. If the federal authorities could get consensus from Ontario and Quebec, and it is not really a major expenditure, I think it could be done in a short time. It would be of tremendous help. As the Deputy Minister from Newfoundland stated when we had our meeting, "It is later than you think".

The Chairman: Thank you, Mr. Minister.

The committee adjourned.

APPENDIX "A"

Brief to the
Special Senate Committee
On Poverty

Department of Health and Welfare

Province of New Brunswick

May 26, 1970

The White Paper on Social Development and Social Welfare which the Honorable Louis J. Robichaud, Premier of our Province, tabled in the Legislative Assembly on March 31, 1970, sets out, clearly the problem of poverty in the Province of New Brunswick and outlines some proposed approaches to this problem. Therefore, the purpose of this Brief is to summarize the points made in that White Paper and to enlarge on the section on the role of the Federal government.

It must be stressed that the purpose of the White Paper is more than just an attempt to place in perspective the difficulties which New Brunswick shares with all other jurisdictions in seeking workable and equitable programs to alleviate poverty and its causes. It is also intended to bring out some of the broad social problems and necessary policies related to accelerated economic development and rural to urban shifts of the population.

It must also be stressed that the Government of New Brunswick is under no illusions that the changes proposed will produce miraculous solutions. The adaptation of human lives to changes in society is not like financing a highway or building a bridge. The final results of social programs may take years or generations to appear.

The White Paper does not dwell on the dimensions of the problem of poverty in New Brunswick. Additional information is to be found in the Brief presented to Mr. Munro on May 1, 1970 by the Atlantic Ministers of Welfare.

As well, the Brief of the New Brunswick Housing Corporation to the Federal Task Force on Housing and Urban Development presented November 12, 1968 sets out clearly the problem of very inadequate housing existing in our province.

Finally, Table 1 and 2 give infant mortality rates by major causes. High infant mortality rates are most often associated with poverty. These tables show that the rates for New Brunswick are well above the Canadian average.

The White Paper outlines an overall policy of Social Development which by means of co-ordinated programs will not only be designed to improve the human conditions of all our people but will give special emphasis to the problems of the poor.

Particular stress is given to equipping persons who are displaced from primary industries with the skills to cope with the more complex world of secondary manufacturing and urban living. In this connection we will be stressing special programs for adjustment from rural to urban living modes, providing more educational opportunities for the young, the underskilled and the uneducated in order that they will be equipped to compete and developing improved programs to increase the mobility of the labor force within the province.

For the cities we must plan for accelerated growth and ensure that they have the capacity to provide larger populations with services essential to the adjustment process. In this connection we will be particularly concerned about housing, protection of the environment against pollution and generally the development of social recreational and cultural activities which help to prevent people from becoming alienated in a new and strange environment.

Special programs to support family units would stress housing, the problems of working mothers, the promotion of responsible parenthood, and the promotion of special programs of assistance to family units particularly those having heavy expenditure burdens related to ill health.

In addition to the above we think that the poor require special assistance. In particular special attention must be paid to ensuring that they are informed of opportunities and services available to them and know how to utilize those services effectively.

In relation to the Social Welfare program it is perhaps useful to outline briefly some background to the main proposals contained in the White Paper.

Prior to 1960 welfare was, except for specific categories of blind, disabled, aged, widowed or deserted

mothers, regarded as a purely local concern. The scope of the service was very directly related to the adequacy of local resources. As often happens where the need was greatest the resources were least.

During the next seven years the administration of social assistance was, except for the designated categories, the responsibility of the local municipal units organized for that purpose into welfare districts. The province shared the cost on the basis of one dollar (\$1.00) per capita plus 70 per cent of specified welfare costs above that amount. The Federal government, in turn, shared 50 per cent of the total cost under the Unemployment Assistance Agreement. Benefit schedules, except for food, were established by each municipality or welfare district (group of municipalities). There were quite strict residence requirements and benefits and criteria for eligibility tended to vary greatly from one area to another. Many areas still lacked resources sufficient to meet the needs.

On January 1, 1967 with the introduction of the Program for Equal Opportunity the province accepted full responsibility for the administration of the welfare programs. This included child welfare which had previously been the responsibility of Children's Aid Societies assisted by substantial provincial grants.

Table 3 attached shows an analysis of our social assistance caseload in December, 1969. This shows clearly that 25.7 per cent of the cases were then receiving assistance due to lack of earnings. Of these 18.5 per cent were in the age group 20 to 49 years where it would be reasonable to expect they could be fairly readily employed if opportunities existed. The large number in the aged, disabled and ill category clearly shows that persons existing on the edge of poverty do not have reserves to carry them through periods of prolonged unemployment.

The White Paper outlines the problem faced by governments in establishing social assistance levels that provide a decent minimum standard of living without removing the incentive to work.

We believe that in approaching this problem governments must ensure that the welfare economy and the industrial economy are more closely related, and that earning potential should be a factor in assessing the level of financial assistance which an individual receives. We, therefore, propose to experiment with an approach that is involving supporting persons with relatively good earning potential at a lower level than that considered necessary for an adequate standard of living but allows them to retain a portion, perhaps one half, of any income they earn.

The other proposals for improving our welfare program, while important, are we think secondary to this basic proposal.

As we looked at this problem it became increasingly clear that problems of poverty, of dependency and of social and economic maladjustment could not be dealt with adequately by any single government program, or any single level of government. Certainly, if welfare programs were provided with additional manpower, increased funds, and a wider scope for developing new and imaginative programs, more could be done in this area than is being accomplished at present. But the fact is that these programs in order to be truly effective would have to overlap those of almost every other government department at both the Provincial and Federal levels. This would obviously be a costly and inefficient approach to the problem and one which would tend to perpetuate the chronic dependency of a substantial segment of the population.

It follows that every government program has a welfare component and a particular requirement to provide effective services which reach all of the population regardless of social and economic levels. Every government program has as its goal the promotion in some way of the welfare of society. Within the community, many organizations and most individuals have concrete concerns for the welfare of that community and particularly for those people who cannot cope with the demand for changing social and economic structures.

One of the major priorities in the development of new approaches to poverty is therefore to improve the mechanisms necessary for the co-ordination of all those private and public concerns, so that resulting programs work in reinforcing one another rather than at cross purposes. In facing this priority requirement we face problems of human organization and co-operation and of governmental structures which have baffled policy makers everywhere. To succeed it will be necessary to break new ground.

We think that it is necessary to proceed on two levels. First of all within each Provincial government and within the Federal government there must be a new effort made to co-ordinate and integrate the many related programs. We are presently applying ourselves to this problem within the Province of New Brunswick and hope to soon greatly improve our methods of co-ordination. The Welfare Department will no longer only provide services and financial assistance but will also be responsible for identifying the causes of poverty and promoting among other government agencies and non governmental institutions programs to meet these causes.

The Federal government must in turn ensure that it is adopting a comprehensive approach to the problem and must provide some means for integrating the large number of programs presently operating in the field. There appears, for example, little indication of a comprehensive approach between unemployment insurance, the vocational rehabilitation of disabled persons agreement and the Canada Assistance Plan just to name three related areas. We hope that present efforts that are being made to develop a more integrated approach will receive the emphasis needed if they are to be successful.

As well the Federal government must develop some means for ensuring that its various programs are oriented towards the problems of the poor and are designed to help alleviate the causes of poverty. For example the programs of the Department of Manpower and Immigration must place greater emphasis on assisting disadvantaged persons to obtain employment and policies of the Central Mortgage and Housing Corporation must recognize the provision of physical accommodation alone will do little to solve the housing needs of the poor.

At the second level there must be developed a mechanism for implementing comprehensive and co-ordinated Federal-Provincial programs. We support the Economic Council's plea for the establishment of such a mechanism. We believe that Federal and Provincial resources must be fully integrated without regard to constitutional responsibilities if dramatic alterations are to be made in the patterns of poverty. We feel that too much emphasis has been placed upon the division of responsibility. Rather we think that emphasis must first be placed on the design of comprehensive programs that will effectively deal with the problems.

Finally we believe that regardless of how the constitution is interpreted the Federal government has a responsibility to ensure that a basic minimum level of services are available to all Canadians. Most of the present cost sharing arrangements do not accomplish this objective.

Two examples of programs most closely related to alleviating poverty are welfare services and housing.

Present welfare benefit schedules do not reflect cost of living variations across the country nor do the services provided reflect the relative need for those services. In housing the New Brunswick Housing Corporation's Brief to the Federal Task Force on Housing and Urban Development pointed out that between 1962 and 1967 Ontario with 35 per cent of the National population was able to get 98.3 per cent

of all N.H.A. Federal Public Housing money and 97.2 per cent of all Federal Housing subsidies under section 35e of N.H.A. The Brief points out that "the paradox is that the rate of improvement in provinces with lesser needs was faster than that of provinces with greater needs. Thus the housing gap widened".

Our recommendation is based on the belief that programs designed to solve the problem of poverty cannot hope to achieve their objective if they must be dependent for implementation upon jurisdictions having greatly differing capacities to meet the levels of needs that exist. The tax sharing equalization agreements do not solve the problem because at best they are a "keep up" rather than a "catch up" measure.

While these mechanisms are being developed and the basic restructuring is going on there are a number of measures that we believe can be undertaken within the framework of the existing Federal legislation.

(a) Provision of special Federal assistance for the development of human resources similar to that provided under the present FRED agreement. We believe that the use of these agreements to cover broader areas would enable the development of integrated and co-ordinated program of rural adjustment in human resource development covering, in the case of New Brunswick, the whole province. In our case it would complement the economic development program now being implemented through the Department of Regional Economic Expansion.

(b) Restructuring of the Family Allowance program to provide assistance to families living in poverty. As mentioned in our White Paper we believe it is essential that additional funds be invested in children to ensure that they have the capacity to compete, on an equal basis, during the years when they are obtaining the education and skills that are so important if they are to lead productive lives. In terms of human resource development we do not think there is any group that is more important.

The use of Family Allowances would, we think, go some way to solving the policy problems associated with establishing adequate minimum wage levels, establishing adequate welfare benefit levels and providing strong incentives to work. Minimum wage levels, Unemployment Insurance benefits, and Workmen's Compensation Board payments all reflect the earning potential of the family head. They do not take into account the size of the family and its relative need. We believe that a restructuring of the family allowances program provides a means for ensuring that

adequate levels of assistance can be provided under a needs tested welfare program without at the same time removing the incentive to work for employable persons with large families.

If the increased allowances were combined with changes in the Income Tax Act designed to remove the benefit from those that do not need it we do not think the overall cost would be great.

(c) Provision of a more equitable cost sharing formula under Canada Assistance Plan such as was recommended in the Brief submitted by the Ministries of Public Welfare of the Atlantic Provinces to the Honourable John C. Munro on May 1, 1970.

The major weakness of the Canada Assistance Plan is that the cost sharing formula does not take into consideration the "need" aspect of the program. Instead an arbitrary 50-50 cost sharing formula is used which leads to a lack of uniformity in the implementation of the program.

Income distribution and the extent of poverty varies from province to province. Using J. Poduluk's poverty line, 55 per cent of Newfoundland's population, 43.5 per cent of New Brunswick's population and 18.6 per cent of the Ontario's population are below the line (See table 4). This means the "needs" for revenue for welfare and poverty programs are much greater in Newfoundland and New Brunswick than in Ontario. However, under the present cost sharing formula, the provinces must finance the other half of their welfare expenditure from their own revenue. As a result, the poorer provinces are forced to pay a lower benefit schedule as they have more people on welfare. In addition, as observed by the Canadian Welfare Council, this leads to the inability of the poorer

provinces to take full advantage of the preventive programs subsidized under the Canada Assistance Plan. Yet, it is in these poorer provinces that the hard-core poor are located and that more intensive programs are needed.

(d) Implement improvements in the National Housing Act along the lines recommended in the Brief of the New Brunswick Housing Corporation. Any program to alleviate poverty must include a concerted effort to provide a much improved level of housing accommodation. Special emphasis should be given to financing better housing and the services required for such housing in some of our rural communities.

Finally we wish to emphasize the need to develop improved methods of measuring our progress in meeting the problems of poverty. If the purpose of economic development is to improve the welfare of the people generally then surely we must have some concrete measures of our success in achieving progress in the different parts of Canada.

The first requirement is for the Federal government to take leadership in developing, in concert with the provinces, an overall framework of objectives and priorities pertaining to social and economic development. Within such an overall framework it would be possible to establish more clearly the impact of decisions with respect to economic development in such areas as housing, health and education in various parts of the country.

The Economic Council of Canada has already developed some of the elements of this framework. However it must be broadened to include much more, and this is perhaps the logical body to undertake such a task.

Table 1

Infant Death rates by major cause, New Brunswick and Canada, 1963-1967,
(per 1000 live births)

	1963		1964		1965		1966		1967	
	N.B.	Canada	N.B.	Canada	N.B.	Canada	N.B.	Canada	N.B.	Canada
Total	27.8	26.3	26.1	24.7	23.0	23.6	24.1	23.1	25.1	22.0
Lower respiratory infections . .	4.8	3.5	5.1	3.0	4.0	2.9	3.6	2.7	3.3	2.5
Immaturity	6.6	5.0	7.2	4.8	5.4	4.4	6.0	4.2	6.7	3.9
Congenital malformations	5.7	4.4	4.2	4.4	3.5	4.3	5.1	4.5	3.2	4.0
Birth injury	2.0	2.7	2.2	2.6	1.6	2.4	1.7	2.3	2.4	2.1
Asphyxia and atelectasis	1.9	2.9	1.8	2.7	1.8	2.6	2.1	2.5	1.4	2.4
Gastro-intestinal infections . .	0.6	1.0	0.5	0.6	0.6	0.5	0.5	0.5	0.7	0.5
Ill-defined	2.4	2.5	1.4	2.4	1.8	2.5	1.7	2.6	2.9	2.8
Other	3.8	4.3	3.7	4.2	4.3	4.0	3.4	3.8	4.5	3.8

SOURCE: Vital Statistics D.B.S. 84-202

Table 2

Perinatal Death* Rates, New Brunswick and Canada
1963 - 1967
(per 1000 total births)

	1963	1964	1965	1966	1967
N.B.	30.1	29.4	25.7	26.8	28.4
Canada	28.0	27.4	26.0	25.5	24.7

* Foetal deaths (stillbirths) of 28+ weeks gestation and infant deaths under 1 week

SOURCE: Vital Statistics D.B.S. 84-202

Table 3

Social Assistance cases and percentage distribution by major reason for assistance*, December 1969

Major reason for assistance	0-19	20-29	30-39	40-49	50-59	60+	Total	Dependents
Absence of spouse	92	621	707	815	867	370	3472	8685
Age and disability	199	533	664	1080	1610	3247	7333	13015
Earning capacity	213	807	1025	872	669	164	3750	15563
Total	504	1961	2396	2767	3146	3781	14555	37263
Percentage Distribution								
Absence of spouse6	4.3	4.9	5.6	5.9	2.5	23.8	
Age and disability	1.4	3.7	4.6	7.4	11.1	22.3	50.5	
Earning capacity	1.5	5.5	7.0	6.0	4.6	1.1	25.7	
	3.5	13.5	16.5	19.0	21.6	25.9	100.0	

*This does not include the caseload of the categorical programs which were as follows:

Old Age Assistance	606
Disabled Persons Allowance	2257
Blind Persons Allowance	470

Table 4

Incidence of Low Income* Families by Province

Province	Incidence of Low Income %
Newfoundland	55.7
Prince Edward Island	49.2
Nova Scotia	40.3
New Brunswick	43.5
Quebec	27.9
Ontario	18.6
Manitoba	26.1
Saskatchewan	34.8
Alberta	22.9
British Columbia	21.3
TOTAL	25.3

SOURCE: Unpublished data from 1961 census of Canada reprinted from *Incomes of Canadians* by J. R. Podoluk, p. 196.

*Low Income as defined by Economic Council's poverty line (1961).



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 45

THURSDAY, MAY 28, 1970

WITNESSES:

The Pointe St. Charles Community Clinic: Mr. Collis Wilson; Mr. Abe Rosenfeld; Miss Barbara Stewart; Mrs. Lorna Castell; Mrs. Claire St. Aubin.

The Canadian Medical Association: Mr. D. A. Geekie, B.P.H.E., C.P.H., Secretary, C.M.A. Council on Community Health Care; Dr. J. S. Bennett, C.R.C.S.(C), F.A.C.O.G., Secretary, C.M.A. Council on Provision of Health Services; Dr. D. Cappon, F.R.C.P. (Edin.), Professor Urban and Environmental Studies, York University; Dr. G. LaSalle, Vice President, Health Services, University of Sherbrooke, P.Q., Chairman, C.M.A. Committee on Medically Disadvantaged—Urban.

APPENDIX:

"A"—Brief submitted by The Pointe St. Charles Community Clinic.

"B"—Brief submitted by The Canadian Medical Association.

"C"—Brief submitted by the Canadian Woman's Christian Temperance Union.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator MacDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Thursday, May 28, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Eudes, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, Lefrançois, MacDonald (*Queens*) and McGrand. (8)

The Honourable Senator J. A. Sullivan, not a member of the Committee, was also present.

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

The Pointe St. Charles Community Clinic:

Mr. Collis Wilson;
Mr. Abe Rosenfeld;
Miss Barbara Stewart;
Mrs. Lorna Castell;
Mrs. Claire St. Aubin.

(Biographical notes concerning the above witnesses immediately follow these Minutes.)

THE CANADIAN MEDICAL ASSOCIATION:

Mr. D. A. Geekie, B.P.H.E., C.P.H., Secretary, C.M.A. Council on Community Health Care;
Dr. J. S. Bennett, C.R.C.S. (C), F.A.C.O.G., Secretary, C.M.A. Council on Provision of Health Services;
Dr. D. Cappon F.R.C.P. (Edin.), Professor Urban and Environmental Studies, York University;
Dr. G. LaSalle, Vice President, Health Services, University of Sherbrooke, P.Q., Chairman, C.M.A. Committee on Medically disadvantaged—Urban.

Briefs prepared and submitted by The Pointe St. Charles Community Clinic, The Canadian Medical Association and the Canadian Woman's Christian Temperance Union

were ordered to be printed as appendices "A", "B" and "C", respectively, to these proceedings.

At 12.25 p.m. the Committee adjourned until Tuesday, June 2, 1970, at 9.00 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee

BIOGRAPHICAL NOTES

Mme. Claire St. Aubin: citizen of Pointe St. Charles; Secretary of the Family Planning Association of Montreal; President, Committee de Planification Familiale; Board of Directors, Pointe St. Charles Community Clinic; Responsable pour Amities Cafes.

Mrs. Lorna Castell: citizen of Pointe St. Charles; Board of Directors, Pointe St. Charles Community Clinic; member of the Citizens' Association of Pointe St. Charles.

Miss Barbara Stewart: Public Health and pediatrics nurse; presently on nursing staff at the Clinic; '60 to '61 worked as a nurse in Lausanne and Geneva; '63, worked with the VON; received B.N. in Public Health.

Mr. Abe Rosenfeld: resident of Montreal; B. Sc. (Psych.) McGill, 1968; Board of Directors, Pointe St. Charles Community Clinic; Director of Education Project at the Clinic; Medical Board, Montreal Council of Social Agencies; Subcommittee of Academic Policies Committee of McGill on Community Programs; Member of Citizens' Association of Pointe St. Charles.

Mr. Collis Wilson: medical student, McGill; B. Sc. (UBC 1969); Chairman, Board of Directors, Pointe St. Charles Community Clinic.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Thursday, May 28, 1970

The Special Senate Committee on Poverty met this day at 9 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Chairman: We will call the meeting to order.

We have a brief from the Pointe St. Charles Community Clinic. On my right is Mr. Collis Wilson, Chairman of the Board of Directors. He will introduce those who are accompanying him this morning.

Mr. Collis Wilson, Chairman of the Board of Directors, St. Charles Community Clinic: Mr. Chairman and members of the Special Senate Committee on Poverty, we have come as representatives of the Pointe St. Charles Community Clinic of Montreal. Various members of our panel will speak on the following topics:

I will speak on health care delivery to an urban community. Mr. Rosenfeld will speak on education services in the same urban community. Miss Barbara Stewart will speak on family health workers as a means of providing comprehensive care, and Madame St. Aubin will speak on family planning in Pointe St. Charles. Mrs. Castell will participate in the question period at the end.

The Pointe St. Charles Clinic was opened on July 2, 1968, by a group of medical students in order to provide a centre for comprehensive health services in a community where, in a population of 25,000 people, there were only two full time and one part time doctors.

The reasons for establishing a clinic in this area were many, the more important being . . .

The Chairman: You do not have to read the brief as we have all read it. It is not customary to read the brief. You can summarize.

Mr. Wilson: My main point which I have to say here is that in the light of this commission it seems to me that in order to deal effectively with any problem you must have the recipients of any kind of services which are offered, deeply involved in the administration, and the ideas leading to the making of decisions. Up to the present in our clinic we have had the board of directors, which was founded in November last year, and we have had 5 committee members on this board.

To the present, they have been participating actively in all of the decisions of the board. They are there to ratify any medical people which we bring to the board. The medical people are brought to the board by doctors who are recommended and citizens who ratify their decision.

We feel that through this way we can deal effectively with the problem of alienation of citizens from the services offered, which I believe is very important. I believe many people have spoken to you about this before.

Another problem is this whole concept of comprehensive care which has not been to the present dealt with effectively in Canada. We have at present very sophisticated hospitals located in cities where in order to get in as a public patient you must pass through an out-patient department where the waiting time is interminable and the services offered are good, but in order to get to those services you have to wait. To a lot of people, money is time and time is money.

These comprehensive care centres offered to the general public in a community like Pointe St. Charles, a place where they can go and feel at home and have services which are equally as good as those of a hospital, and even better in that more follow-up and referrals are dealt with in the small community health centres.

That is a brief summary of what I have to say. Since Mr. Rosenfeld is not here yet, Miss Barbara Stewart will speak on family health workers.

Miss Barbara Stewart: I will begin by introducing myself. I am a public health nurse and I have been working in this community the length of time the clinic has been in existence in Pointe St. Charles. We are very concerned—I think your committee is too—in getting health services to the people who just do not or are not able to avail themselves of the services existing, extending services into the community.

One of the ways we feel we could do this in a more effective way and perhaps an economic way, which should interest you, is that instead of bringing more and more highly trained professional workers into the community, to train people in the community to assist in attacking their own problems.

We feel specialists are not needed in these areas so much as generalists—people who with their own background and familiarity with their own community, the way of life, the mores of such community, can more effectively work with these people under the guidance of and working with specialists who supervise them.

We have a proposal to train such a group of people in our community services. It may seem a bit ambitious for us to do this but we really feel this is one way to get medical attention further into the community.

Education, to my way of thinking, is one of the prime reasons why people do not avail themselves of existing health services. If you are planning to provide more and more health services, this is not the whole answer. You have to work right at the local area educating the people. I think one of the best ways to do this is to educate the people who live there. That is really all I have to say. I would be glad to answer questions later.

Senator Fournier: Did you have much success in working with your own people and trying to train your own people?

Miss Stewart: The program, I regret to say for our own financial reasons, has not been put into effect but the community interest is there. We have already discussed this.

Senator Fournier: I assume that you are just initiating this program?

Miss Stewart: This is in our proposal for the forthcoming year.

Senator McGrand: How long has the clinic been in operation?

Mr. Wilson: Since July 2, 1968.

Senator Fournier: Who do you intend to pick for your local organization, mostly young people or anyone who volunteers?

Miss Stewart: We will first of all see all who are interested and who volunteer. I think it will depend a great deal on the personality and the temperament and possibly the experience of the person. I do not think any of us have an exact idea of the age range.

Senator McGrand: How many physicians have you attached to the clinic.

Miss Stewart: One full time and one part time.

Senator McGrand: Who pays him for the full-time work?

Mr. Wilson: We are awaiting a grant from the federal Government. As you know, that is interminable.

Senator McGrand: That is not the answer I am looking for. Here is a man that is full time and to get a full-time physician is quite a lot of money. Who pays him?

Mr. Wilson: Are you talking of the doctor at the clinic?

Senator McGrand: Yes.

Mr. Wilson: It has been a problem to the present. You see, we are dealing with two things: research and services offered. The provincial government is in charge of services and the federal government is in charge of research as far as health care is concerned. The money we have received from the federal Government so far has been for research.

Senator McGrand: When you say research, you mean on the development of a scheme of this kind?

Mr. Wilson: Exactly. Now, the money we have received to pay people has come from foundations so far.

Senator McGrand: You have two physicians, one full-time and one part-time?

Mr. Wilson: Yes.

Senator McGrand: And they both receive remuneration. Who pays the money?

Mr. Wilson: The clinic does. We solicit from foundations.

Senator McGrand: You collect from the patients that come in?

Mr. Wilson: It is 50 cents a head.

Madame St. Aubin: I am also part of the Bureau of Direction of the Clinic, Pointe St. Charles, but before that clinic was opened a group of us, headed by my husband and me, started a committee on family planning.

We have a clinic on family planning. As you know, most clinics are paid by the province but administered by the city. I should say to you that we have not had life made easy for us because they close our clinic down for nothing because we know that is a very important thing.

When we started working on family planning, my husband and I took an interest in the Association of Family Planning of Montreal and since then we have become a part of them.

My husband looks after the documentations, and I am the French secretary. If we do that kind of work, it is because we know by experience that planning your family is one of the ways to help diminish poverty. Statistics prove that the family with the most children are the least stabilized moneywise. The reason is very simple.

The wife of a rich man will go to a gynaecologist to have her children, and in general those doctors are very good in knowing how to go about explaining family planning to their patients, whereas the wife from a poor family will go to a general practitioner. Those doctors, most of them, are very good men but have so much work that they do not have time to help their patients with the necessary information. So it is for these women that our services are valuable.

Those families write to us and we send them documentation on family planning. If necessary we send them addresses of places where they can go and have these medical services that are necessary for the different treatments, or the kind of service they can pay. You can understand now why our goal, being the same as that of the clinic St. Charles, is to be able to help people in society. We think it is very important that we work together. Thank you.

Senator Fournier: I was going to ask: was your speech in French and you made the translation as you went along?

Madame St. Aubin: Yes.

Senator Fournier: It was very good, excellent.

The Chairman: She was very helpful to us too, thank you.

Mr. Wilson: Mr. Abe Rosenfeldt, who is director of the education project at the clinic, will address the meeting.

Mr. Abe Rosenfeldt: I will just talk briefly on what I have learned in the last two years in working in Pointe St. Charles in education. It is a hard thing for me to summarize because I have not had any time to reflect on it, and I am still learning. Having come down to the community, I find that really I am not a teacher but a student finding out what the people are like, what the children are like.

I would like to first talk a little bit about the schools and what it is like for a child from the community to go into the school system as it exists now. To begin with, the majority of the children in the community are not prepared in any way to enter into kindergarten. They do not have the skills that they need in terms of visual skills, in terms of auditory skills, in terms of concentration and memory.

Furthermore, they are not prepared in terms of work habits which are very crucial for the type of situation they are going to face in the classroom. This is particularly true of boys who go into kindergarten, particularly when they are rewarded for neatness and good manners. The majority of kindergarten teachers favour quiet individuals, children who just fade into the scene, whereas the majority of young boys from the community are outgoing and rough. It is really unsettling for them to come into that particular situation.

There is no compensation for that initial lag, at least not in our community. What happens over a period of time is that there is a build up in deficiencies. The build up results from a log of different factors. The teachers that come down to the community are not particularly prepared to teach in that area. Most of them have had absolutely no training for work in the inner city. The curriculum in the schools is not particularly designed for the community.

There is very little consideration for the fact that Pointe St. Charles happens to be somewhere else than Westmount or St. Laurent, if the schools in the district use the same text books, the same approach in terms of teaching as schools outside the community.

Finally, the general orientation of the school does not really match the type of child that comes in. It is difficult for a child who is outgoing to line up, to be quiet, to listen to people when he is told to.

The result of this is that the children become quite frustrated. There is an accumulated deficit in terms of their capacity to learn, and by the time they reach high school the frustration they have, when coupled with the financial pressure, causes many to drop out. The drop-out rate in the community is exceptionally high. It is about 60 per cent.

The effect on the children personally in going to school is quite amazing. It is almost humiliating for them. It is their first contact with the middle-class system. It is their first contact out of the home. Many of them, because of their inability to work in that particular situation, become very depressed. They are literally convinced that they are unable to do many things because in the classroom the teachers constantly remind them of the fact that they are unable to do things.

Just briefly about how the parents relate to the school system, the majority of the parents regard the school system as being a completely alien institution, something which they have very little influence over. This is strange and very typical for any service that is found in the community, whether it is medical service or educational service or welfare service.

Though it is a service for the people, they have absolutely no feeling in terms of their power or influence to change any of the things going on in those particular structures, though those structures were originally created to serve them. There are very few PTA's organized in the community, and the existing ones really do not serve the functions that are needed.

Finally, there are a large number of parents who just do not see the value of education. What are we doing in particular about the situation I have described, perhaps rather bleakly, is very simple.

I think the first premise we have to accept is that these children can learn. There is absolutely no reason why they can't. The only reason they are termed "disadvantaged" is that they are disadvantaged in the sense that they cannot function in the school system which exists in the community right now. If there

were changes in that school system, I really sincerely believe, because we all have a capacity to learn, that these children could progress a lot further than they have up to now.

The second point in terms of change simply leads from the first. The school system could be made more viable. How to do this, I think the first step is to involve parents. This is a very crucial factor. These are the people whose children are attending school. They are very well aware of what their children are like, and I feel that the suggestions that they could make in terms of how their children could be taught are invaluable.

Secondly, I think that certain of the programs that we are doing right now offer the school an opportunity to revise the approach it is using towards the community. For example, our learning clinic program gives the teacher an opportunity to look at a child as an individual, and it also gives them the opportunity to look at techniques for the possibilities of working with these children.

A very important point that has to be made in terms of working in education in this community and working in any field in this community is that the approach has to be comprehensive. It has to be broad. You cannot just provide a "head-start" program. "Head-start" is not enough. There is a lag among the children in the school that cannot be overcome by giving them initial training while they are 3 or 4 years old. It has to go right across the board. The children have to enter a school system that is adapted for them, that means grades 1 to 7. This means that teacher training has to occur. There has to be revision at the universities to prepare teachers to work in this type of community.

Another factor that has to be worked on at the same time is the high school situation. There is no high school in the area. There is very little opportunity for a lot of these children to go to high school because of financial pressures. Some type of support has to be offered in that particular area.

Again, in a broader sense, education alone cannot work. It is not an isolated event in a child's life. He is influenced by the house he lives in; he is influenced by his state of health; he is influenced by the particular balance of mental health that his parents have.

If we are going to make progress in terms of the children, we have to work in other areas as well. We have to be sure that if children are facing medical problems we can in some way or other provide them with a solution. Some of these medical problems are quite substantial in terms of interfering with the

child's ability to learn. This is one of the reasons that we are working with the medical clinic. It has to go much broader than that. There have to be improvements in the community as a whole in terms of housing, in terms of family problems, so that the children can have an opportunity to progress.

Senator McGrand: You are discussing these problems, and you say that is why you are working with the medical clinic. Now, would you just go on and tell us how you work with the medical clinic and what is the co-operation, the liaison, between this medical clinic and what you are doing?

Mr. Rosenfeld: In some situations it is direct. We have a remedial program for children with learning disabilities in the school.

Senator McGrand: Whom do you take those children to?

Mr. Rosenfeld: All of these children are examined by a doctor, because quite often it is found that learning problems have a basis in a perceptual motor handicap or neurological damage. The doctor has to find out if this is present or what factors in terms of these medical problems are hampering the child's progress.

Senator McGrand: Where do you go to get that service?

Mr. Rosenfeld: We go directly to the clinic. The doctors who have been hired by us have done the medicals for these children. Also, in the schools, when an emotional problem with a child comes up in terms of behaviour, we refer them to our psychiatrist at the clinic. On the other hand, doctors have often come to us with a three-or four-year old and said, "This child has a problem relating with other children. The mother is having a large number of problems at home. Would it be possible to put him in pre-school." As a result, both the mother and the child benefit.

Even with older children, 14-year olds, doctors have come to me and asked if we could possibly find a tutor for them because they are very upset that they cannot learn. Quite often we have found that the symptoms they are presenting are just simply psychosomatic—just a means of asking for help, help which through the educational program we can sometimes provide.

Senator McGrand: At the bottom of page 3 you say:

In July and August of 1968 medical services were offered by volunteer doctors who worked in the evening clinics held five days a week.

Then at the top of that page you mention the names of two doctors. Are these volunteer people or people you pay?

Mr. Wilson: There are two parts to the clinic. The day clinic, as you mentioned before, is operated by the one doctor and one part-time doctor, who are paid. We have two nurses who are paid. We have a receptionist who is paid, and the director of education is paid.

Medical students are there on elective, which is part of our school year, and the volunteer doctors who come at night are just that—volunteer doctors.

Senator McGrand: Do they come from the City of Montreal?

Mr. Wilson: They come from the Montreal General, the Royal Vic, the Montreal Children's Hospital, et cetera.

Senator McGrand: Are they graduate residents at any of these hospitals?

Mr. Wilson: They are practising physicians, specialists.

Senator McGrand: And their services are volunteered?

Mr. Wilson: Yes, because they are interested in this approach to health care.

Senator Fournier: We have heard quite a lot about the Pointe St. Charles clinic but we know very little about it. Where is your clinic situated in Pointe St. Charles?

Mr. Wilson: The exact address?

Senator Fournier: Suppose I want to find it.

Mr. Wilson: 900 Charlebois.

Senator Fournier: How about the population, you have some 40,000 people?

Mr. Wilson: 25,000. I gave you a sheet of statistics here. Population in 1961 was 25,500.

Senator Fournier: You have French and English?

Mr. Wilson: As you see on the sheet, the mother language, 55 per cent French, 33 per cent English, but the official language is 30 per cent French and 33 per cent English and 34 per cent bilingual. On the next page you can see the education statistics and the employment and the unemployment.

Senator Fournier: You mentioned about the frustrations of the children going to school. I quite agree with that. I believe possibly the parents have a large effect on the frustrations of the children and the conditions under which they live. I think you defined it very well.

Mr. Rosenfeld: We have to realize that it is a two-way street and that we can't really blame the parents in the community. Some of the problems lie with the attitude of the parents towards education. This system itself is not geared towards the children in the community. Far too often when we try to look for a fault as to why something is not working, we tend to blame the individual rather than the system. For example, in medical services you find that people will say that people in the community, for instance, Pointe St. Charles, can't come to the hospital. They do not say that the hospital has not come to them.

It is the same process in the schools. You can say that the people have not come to the schools, but the schools have not really reached out to children either.

Senator Fournier: What can we do to overcome that situation? Let us talk about the schools. I will leave the medical part to the doctors. What would you do to overcome the problems in the schools?

Mr. Rosenfeld: I do not think you can have a simple solution. Like I said before, it has to be done across the board. It has to start with pre-school education. It has to in all phases involve parents as actively as possible. In our pre-school we are trying, although we have not been entirely successful, to have parents from the community form the major part of the staff. On the French side, I am told, we have had better luck.

Madame St. Aubin: In the French school it used to be very bad, and a group of people got together and really worked on it. They had an awful lot of trouble, but now our schools are getting much better, starting in the very small classes. We are waiting for the schools to provide the higher grades, because now we have to send the children to St. Henri after the ninth grade. That is why most children leave school. If they have to

go to St. Henri it costs the parents much more money, and the children get discouraged because it makes a very long day for them.

Senator Fournier: Are St. Henri and Pointe St. Charles adjoining districts?

Madame St. Aubin: Yes, but the connecting bus service is very bad.

Senator Fournier: They are two adjoining districts.

Madame St. Aubin: Yes.

Senator Fournier: Is the French population of children more than the English population?

Madame St. Aubin: Yes.

Senator McGrand: How many medical students have you involved in this program—I mean senior medical students who have a chance to get some clinical knowledge of people in this condition?

Mr. Wilson: Would you like it over the two years?

Senator McGrand: At the present time how many people are involved?

Mr. Wilson: At the present time there are three students on elective at this clinic. Elective means, one-quarter of your school year where you can do anything you want. This is what McGill does as part of its education. Also, there were four or five students working there during last summer who were paid by the university.

Senator McGrand: Do I understand that the McGill medical students have one semester elective to do as they like, and you have two or three of them?

Mr. Wilson: Two or three from one class this year who decided to work down at the clinic.

Senator McGrand: What proportion of the class would that be—1 per cent, 10 per cent?

Mr. Wilson: There are also students who work down there at night, they work one night every two weeks for the whole year, so I guess you could say that they were involved in the whole concept of the clinic as well. It comes out to about 10 per cent of the class.

Senator Inman: This is a very informative brief we have before us. I am interested to know whether there are any welfare recipients on your board?

Mr. Wilson: No, senator, not on the board.

Senator Inman: Have you ever considered putting any on?

Mr. Wilson: Sure. The board was founded in November, and we had to go out and choose people to go on it. Put we hope to have, through citizens organizations, people elected to the board.

Senator Inman: How are your directors selected?

Mr. Wilson: The English members were selected from the Citizens Association of Pointe St. Charles, which is called CAPS, and the French members came from interested people, Madame St. Aubin,—

Senator Inman: On page 4A, you speak of medical students. Do you find medical students anxious to avail themselves of the experience they get in your clinic?

Mr. Wilson: I will put it this way: there is not a great rush to come down there. It is mainly a problem of reticence due to fear or something different—reticence because they have a lot of work to do. There are pressures from the university to continue working and get good grades, and maybe it is our fault for not publicizing the clinic too much. We have a Montreal student health organization whose function has been to publicize this clinic and activities of the same sort.

Senator Inman: You more or less have to find them yourselves, do you?

Mr. Wilson: Yes, we do. It takes a certain kind of patient temperament to work in this field, as many of you realize.

Senator McGrand: Are they encouraged to do this by the Dean of the Faculty of Medicine?

Mr. Wilson: Not directly, no.

Senator McGrand: Does anyone at the Faculty of Medicine?

Mr. Wilson: Yes, we have a number of guiding lights in the faculty.

Senator Sullivan: What prompted you to do it?

Mr. Wilson: That is a very good question. I have been a patient myself at a hospital and have looked at

their OPD service from a patient point of view. The feeling of being treated as an object instead of a person—the whole experience of waiting lines and of numbers and complete alienation from everything, made me turn to this kind of thing.

The whole philosophy of comprehensive care appeals to me. In this age of specialization, as you two gentlemen know, the problem, of course, is that people are getting more and more specialized and switching from hospital to hospital. I go there for my head and there for my feet.

The Pointe St. Charles Clinic is a place you can go for everything, and if there is something terribly serious you have excellent referral services to the General Hospital, the Childrens and Vic, and other hospitals when the need arises.

Senator Inman: Do you find any difficulty in getting true case histories from your clients or do you find good co-operation from your patients?

Mr. Wilson: Do you mean finding good case histories?

Senator Inman: Well, some patients are rather reticent about telling all.

Mr. Wilson: Of course it depends on the person taking the history, if he is a good history teacher. The two doctors we have down there I think are excellent. The students down there are in their second and third year and they are just learning the histories. In my own experience, I have no cases of reticence to give case histories. As a matter of fact, they are usually quite voluble.

Senator Inman: What do you find are the most prevalent diseases among the socially economically deprived?

Mr. Wilson: There are a lot of infectious diseases, dermatological diseases, and allergic diseases. There are a lot of chest problems, a lot of emphysema and chronic bronchitis.

Miss Stewart is a public health nurse and she can probably answer that.

Miss Stewart: The problem of upper respiratory disease is certainly one, and malnutrition, not necessarily meaning not eating enough but just eating poorly. In a clinic like ours which is situated right in the middle of the community, the public health nurses

work with the doctors in the clinic and see the patients there. But we also do a lot of follow-up and teaching in the home setting. This is why I feel very strongly for our family health worker program as extensions of us in the community.

The emphasis on preventive medicine, this is really where most of our stress should be. It costs a lot of money to treat people who are already sick. I think a lot more emphasis in the medical profession generally should be placed on prevention.

The Chairman: Miss Stewart, you worked overseas in Switzerland. Did you do similar work overseas?

Miss Stewart: No, I was in a hospital.

The Chairman: You cannot relate the situation there amongst poor people and the diseases that affect the poor there as they affect the poor here?

Miss Stewart: I did not work at all in a clinic and I was a complete stranger to that country and not too familiar with their medical service operations, but I know that there they deal with a much more homogeneous population.

The educational level throughout a small country like Switzerland is much more equal than in a large country like Canada. In a big city like Montreal there are greater gaps, lower income areas, poor education. I have had some friends who worked in the social medicine field—I was strictly in a hospital ward—and they were able to push programs throughout the country, education of people, much easier than we are able to do in Canada.

Senator Inman: Do you feel like telling us how much your budget is and from what source you get it?

Mr. Wilson: As long as it is transmitted to the right places—our budget is \$40,000 a year. This can take into account the kind of people we would like to hire. We would like to hire an executive director for the clinic. We would like to hire a research coordinator and we would like to hire another nurse and have two full-time doctors and two full-time public health nurses. Up to the present, we have had no executive director, and the direction has been handled in a rather haphazard way by students, by doctors, et cetera. We would like to hire a research coordinator to see whether this method of providing care is a viable one. We would also want our research coordinator to keep up on the literature on this kind of care which is

being developed in small pockets in the rest of Canada and also in the United States.

We received our money up to the present, about \$14,790, from the federal Government as part of our research grant. That was for the last fiscal year. We have received large donations from the McConnell foundation and other foundations—the John and Mary Marco Foundations, the Royal Bank, the Bank of Montreal, and private donations. We received a bus from one foundation and we have just put in a grant for \$220,000 for the federal Government and are waiting patiently with fingers crossed to hear from them.

The Chairman: Do that with both hands, will you? They are hard to get money from these days.

Senator Inman: Do you find good co-operation and good relationship between the clinic and the citizens of Pointe St. Charles?

Mrs. Lorna Castell: Yes, there is. It has a friendly atmosphere and you are not afraid when you have a problem to tell them. Whereas when you go to the General, you are not at ease with the questions they ask.

Senator McGrand: It has a community atmosphere.

Mrs. Castell: Yes, it has. You feel more at home.

The Chairman: More personal, she is saying. That is what Mr. Wilson was stressing here too.

Now, let me ask the question that I think is on everybody's mind. As of the 1st of July you have medicare coming into the Province of Quebec.

Senator Sullivan: What is medicare!

The Chairman: How do you see that affecting your work in general?

Mr. Wilson: We have discussed this with the doctors themselves and it all depends of course when it comes in. I have heard rumours about December of this year and July of this year. When it does come in, hopefully we will be able to organize some kind of relationship with the federal Government or with the provincial government on a cost-sharing basis as far as the services are concerned.

Senator Fournier: I think in the morning paper, it says it is going to come out on July 1st.

The Chairman: That is what it says. It will some time, whether it is July or August.

Senator Fournier: Will some of your problems be resolved as a result of that?

Mr. Wilson: Financial problems?

Senator Fournier: Yes.

Mr. Wilson: I cannot say, really.

Senator Fournier: Well, it will remove some of the burden.

Mr. Wilson: Some of the service burden.

Senator Fournier: Yes.

Mr. Wilson: Don't forget, we are splitting into service and research. As far as paying for the services, it may help, but the provincial government may say, "Okay, we are going to give you a grant and you will have to refund all your medicare receipts."

Senator Fournier: You do not know yet?

Mr. Wilson: No. We will have to work something out.

Senator Fergusson: Mr. Chairman, I certainly found the presentation and the brief most interesting and certainly compliment the Pointe St. Charles Clinic on the project which they have undertaken. I hope that they are going to be able to secure the money one way or the other to carry on, which seems to me to be a very progressive and necessary community service. I think we will be very interested to see if this can be carried on and if this can be extended into other communities.

I would like to know one thing. Can anyone in the community avail himself of this service or is it limited to people whose income is under a certain amount?

Miss Stewart: To begin with, senator, we do not limit the service to anyone. It was open to anyone who came. Even the 50 cent fee was only a sign on the wall "The fee of the clinic is 50 cents." There was no investigation of your income. All came and were asked to pay. Those who did not pay in many cases came back later and brought us the money. They felt responsible for it. We in no way chased after people for payment.

Senator Fournier: If I wanted to go, would you accept me?

Miss Stewart: If you lived in Pointe St. Charles.

Senator Fournier: That would be a requirement?

Miss Stewart: Yes, we have had, in the past few weeks, to face a few facts and are now restricting it to the families. Because of the increase in demand for the services, we are just not able to cope with one and one-half doctors. We were just not able to cope with seeing more and more new patients. So at the moment, and we hope it is just temporary, we are limiting it to the families we already know. If family members come, we ask if any of their families have already been seen and if we have files we will see them.

Senator Fergusson: Apparently your clients have increased greatly since you started.

Miss Stewart: We have a great many more.

Senator Fournier: Is the 50 cent fee perhaps the reason for the increase?

Madame St. Aubin: I think it is because it is our clinic and when you go there you are not a number, you are a human being, whereas if you go to the hospital you feel like a number. This is quite different. I would like to go there even if I had to pay \$10, as I would going elsewhere.

Senator Fournier: So you do not think the money is a factor?

Madame St. Aubin: It may be for people that cannot pay, but I think the atmosphere of the clinic is much more important and I think that Medicare should be worked like that because that is the kind of medicine that doesn't push down human beings. It lets you go higher. You don't feel like a number, like I said before, you feel like a human being, and that is a very rare thing nowadays. Even when you are hospitalized, you are not Mrs. St. Aubin but you may be a leg or you may be—but this doesn't happen at our clinic.

Senator Fournier: You have your name instead of your number on your wrist?

Madame St. Aubin: Yes, and our doctors know us.

Senator Fergusson: Supposing somebody comes to you and isn't able to bring 50 cents.

Miss Stewart: They are seen anyway.

Senator Fergusson: Is there any feeling amongst the doctors in that locality that this is interfering with their regular way of making their living?

Mr. Wilson: The doctors in the community were approached before the setting up of this clinic, and I have heard that they were rather thankful that they were taking some of the patient load off their hands.

Senator Fergusson: Do you feel that sickness is one of the great underlying causes of poverty in this country.

Mr. Wilson: I think it is the other way around.

Senator Fergusson: It is that poverty causes sickness?

Mr. Wilson: Perhaps.

Senator Fergusson: Well, I have heard arguments the other way, that because of poverty we have a great deal of sickness.

The Chairman: Let us exhaust this for a moment. The question asked by Senator Fergusson was whether illness contributes to poverty. You gave the impression from your answer that it did not contribute. Certainly the medical services at the present time are available on the scale to the poor that is unprecedented in our own history in this country. Do you go with that?

Mr. Wilson: What kind of medical services?

The Chairman: Every kind of medical services.

Mr. Wilson: In hospitals?

The Chairman: Yes, I have to cover every kind of medical service available. As far as I know, hospitals are included.

Miss Stewart: I do not agree with you.

The Chairman: That is fine. Let us hear from you. That is what we are here for.

Madame St. Aubin: You know that blue card that poor people have—they have to be out of work completely . . .

The Chairman: I started on the wrong province because I assumed that you had the same services everybody else in the country had. You will not get it until July 1st. You haven't quite got it yet.

In the provinces where we have medical services that we refer to as Medicare, I do not think you could very much improve on the medical facilities available to the poor in those provinces. British Columbia is one of them.

Mr. Rosenfeld: I think basically a good parallel is in education where there isn't anyone in Pointe St. Charles that doesn't have accessibility to schools yet the percentage of people that graduate from high schools from Pointe St. Charles is .09 graduate fifth year high school and .01 go on to university.

I think there is an interesting parallel. Although there may be medical services available to the people, from a theoretical point of view, I do not think anyone who really has to see a doctor in this country could not see one—although I am starting to wonder about that when I try to see a physician.

The Chairman: You mean, he will not visit you. You can visit him.

Mr. Rosenfeld: It is difficult even to visit him. The point is, even though the service is available, is it really reaching the people in the way that it is being comprehensive and offering a reasonable service so there is an effect. Schools reach those children, but they are obviously not having an effect.

Senator Sullivan: Mr. Chairman, I would like to comment on these remarks if you don't mind. I would like to substantiate exactly what you have said.

As a practitioner for 35 or 40 years and serving in the out-patient department of a large teaching hospital for that length of time, and a faculty member for the University of Toronto, professorial rank, I disagree completely with what the witness has said. The poor are receiving services today that they never received before. I am taking care of them, and you are talking theory, not practicality.

That is all I have to say, Mr. Chairman.

Mr. Wilson: How many people are you not reaching? How many people do not come to out-patient departments?

Senator Sullivan: I know we don't go out on the street to bring them in.

Mr. Wilson: It has been well documented that as a matter of fact there is a large psychological barrier between middle-class doctors and lower class poor people. The language they speak is different. Their backgrounds are different. How can someone who has a middle-class upbringing understand—how can he ever understand the problems of the so-called poor people.

The Chairman: Mr. Wilson, I do not understand when you say we cannot understand the problem of poor people. I do not know where you think we all came from or how we fail to understand the problem. The only way they are different perhaps, is that you call them poor, and we are not called poor. What is there to understand that you think we fail to understand?

Mr. Wilson: I do not really know, because I do not understand myself. I think if I were to live in any area which was poor my whole life, maybe then I would start to understand the problems.

Madame St. Aubin: There are so many things that you cannot understand, even you, doctor. Suppose you have a woman patient and she has a family, and you tell her, "Now you take this medicine and go home and rest." What you do not understand is that that woman cannot rest because she does not have money to hire somebody to mind her children. She will take her medicine, but she will not be able to rest. That is one of the things.

You will tell her to eat this kind of food or that kind of food and she will go home and she will try to eat it, but most of the time she won't have the money for it. She won't take the food out of her children's mouths, so she won't eat that kind of food. Those are just a few points that people like you may not be able to understand.

Miss Stewart: Can I give one very concrete thing? I think this is in terms that everybody would understand. I think you are quite right in saying that services exist across this country which are available to the majority of people. Why do they not get to them? I really think it is a question of education. It is not just enough to set up services. You must educate people to use them. This is why I am very concerned about what is going to happen in Quebec on July 1.

It will be fine to say that anybody can see a doctor any time he wants to, but I think we will still have a great need for services like ours to interpret this to the people who should be using them.

In our districts our two "well-baby" clinics provide free of charge immunization services to that community. I was just amazed when I first went to work there. I could not believe the number of kids who are not immunized. There have been diphtheria outbreaks in the past five years in Montreal. There was one just two years ago in Pointe St. Charles. There are kids walking about there who are not immunized, not for the reason that they have to pay or that the parents have far to go.

There are two clinics in this area of 25,000 people. That is quite enough to look after them. Why don't they go? Education. The clinic sits there. They don't go out and interpret to the parents why those children should be immunized. I think this could be applied to all levels of health services.

Senator Sullivan: There might be a shortage of personnel, too, to handle it.

Miss Stewart: No, it is an attitude.

Senator Sullivan: I disagree.

Madame St. Aubin: Sometimes we ask some of our neighbours, "Why aren't your kids immunized for this or that?" and they are afraid. They say, "I am afraid those needles might make my children sick."

We are not nurses or doctors; we cannot explain. But if the nurses or somebody could explain to them that they might be sick for 24 hours but would be protected for a long time, these people would go to the clinic.

Senator McGrand: This is the sort of information that they used to get from the old family doctor, but his kind are gone.

The Chairman: But are they not getting it from the schools? Do not the schools pass out that information?

Miss Stewart: Immunization programs are for pre-school children.

Senator Sullivan: They are getting it in the schools of Ontario, Mr. Chairman. I can assure you of that.

Senator McGrand: I understood one of the witnesses to say that gynaecologists were scarce and difficult to contact and that women have found that the general doctor was not well enough informed about family

planning, or something like that, or too busy to give them the advice. Is that right?

Madame St. Aubin: Too busy most of the time. You can imagine, we had one doctor . . .

Senator McGrand: Wait a minute. I don't think you have to go to a doctor to get information on family planning. You can get it from any public health nurse.

Madame St. Aubin: Yes, but before they came we did not have that service in Pointe St. Charles. That is why we formed the group, and we finally formed the planning clinic. We had to give the information. We had one student doctor with us who did give the information on family planning, and then the people would go to the clinic. The association in Montreal sent the information by mail.

Senator Fergusson: Mr. Chairman, actually I do not think some of the discussion has been very responsive to my question as to sickness being one of the real causes of poverty. I would like to pursue it in this way. For instance, if a man is sick he cannot work; if he cannot work he cannot earn money for his family. Then his family will probably fall below the poverty line and have to go on welfare. So is sickness not one of the real serious causes?

Mr. Wilson: Sure, but that is arguing literally, and we could be talking in circles about sickness and poverty at 12 o'clock and at 6 o'clock and saying that sickness causes poverty instead of saying that poverty causes sickness. The reason I said that poverty could cause sickness was that you can just keep going around in circles. I appreciate your argument.

Senator Fergusson: I found it extremely interesting but did not seem to me to really respond to my question. Contary to some things that have been expressed, and perhaps by the Chairman too, I do not believe we understand how these deprived people feel. I do not think we understand at all, and just because some of us may have been poor does not mean that we remember how we felt when we were poor. I think sometimes it is the very people—and we have learned this through some of our hearings—who through some good fortune or Horatio Alger experience have reached the middle class who are the hardest on those who have not. Have you found that this is so?

Mr. Rosenfeldt: I have.

Madame St. Aubin: Mr. Chairman, I would like to answer the question asked by Senator Fergusson

earlier. You were asking if sickness caused poverty. Right now unemployment is a very big problem in Quebec, and if a man looks for work and cannot find it he becomes very worried about his family. He could develop ulcers by worrying in this way and become sick. Then it becomes a circle.

Mr. Rosenfeldt: May I try to answer the question too? I think we are trying to draw this too black and white. A certain percentage of people are unable to work because they are ill and this results in poverty. But the question that comes to my mind, working in education and with youths, is why is it that a large percentage of the children of these parents who are not sick end up poor later on?

Studies done across the United States have shown that education is no longer a strong determinant of what a child's economic status will be in the future. It has been shown that where parents earn less than \$3,000 and have not completed high school themselves, about one-third to one-half of their children will drop out of school and they will help form the poverty cycle.

Senator Fergusson: I have just one other question I would like to ask of Mrs. St. Aubin about family planning. It is in reference to the clinic of family planning. Do many clients come to that?

Madame St. Aubin: It was a condition when we got the clinic that we would bring 10 new patients in a week. We were supposed to do that for 7 weeks and we did it for 7 months. For 7 months we brought new patients to the clinic, and after a while it was no longer a problem. They had appointments for a month or two in advance. But then they find all kinds of reasons to close down the clinic. Now the city is telling us that they do not have the doctors for it. We are still fighting it because we think that the clinic should be in Pointe St. Charles.

Quebec are paying part of the cost, and it is their responsibility to provide the necessary doctors in the community.

The women attending the clinic not only receive counselling in family planning, but they also receive medication and tests, and so on. Things that cost too much money, the women in our community would not go and get except at the clinic where they are free.

Senator Fournier: There are two sides to many of the things that have been discussed here. I think it is going to take a long time before we understand the poor unless we have been poor ourselves. I think some

of us have been poor, or have lived with the poor. It is very hard for a man born in wealth with a golden spoon in his mouth to understand the difficulties that some of these people go through—and I can say that I went through when I went to school.

There are two sides to the theory that sickness causes poverty and poverty causes sickness. A great many examples could be given. I know many families that were ruined on account of medical bills that they had to pay for the rest of their lives.

Sometimes I believe that this committee here, is not going to solve the problems of the poor in these rooms here. We can find out what they are, but unless we take time to go out and visit places like St. Charles and St. Henri, and spend a whole week with these people and see the conditions for ourselves, and get the true picture, we are not going to arrive at very much. We are just going to have a stack of paper which will be thrown away later on.

I believe that whoever is responsible, possibly the Government on account of trying to squeeze the budget, it would be much better to spend a few more dollars and let the members of this committee take the time to live with the poor, stay with them, and visit all these institutions. We should go with these people and visit their homes. Then we will have a true picture of the poor. Unless we do that, we are not going to get very far.

I congratulate this group this morning for the effort they are making and for the community spirit they are developing. I think it is the right start to educate their people. You work with your people and get them involved in this program which was never done before. It is the right start; it is the right move, but it is going to take time and devotion and patience. We may have to hear things that will provoke us but we will have to swallow it and take it. For the time being, we have to be the victim of these efforts. I congratulate you for being here.

The Chairman: Are there any more questions? Is there anything you would like to say, Mr. Wilson?

Mr. Wilson: I would like to thank you, Mr. Chairman, and senators, for inviting us to appear today so that we could express our views. I trust that some of you will follow through with what we have said, maybe for even a longer time.

The Chairman: I would like on behalf of the committee to say that we appreciate your imaginative

undertaking, the interest, dedication and effort that you have for the poor, which we share in common with you. We hope that you are able to carry on the work which appears very beneficial to those in the community. We hope that what you expect in the way of grants will be forthcoming, and with that we wish you good luck. Thank you.

The Chairman: We have a brief now from the Canadian Medical Association. On my right is Dr. D. A. Geekie, Secretary of the Canadian Medical Association Council on Community Health Care. He will now introduce his colleagues.

Dr. D. A. Geekie, Secretary, Council on Community Health Care, Canadian Medical Association: Mr. Chairman, ladies and gentlemen, thank you very kindly for the opportunity to speak with the Senate committee. First of all, may I introduce my colleagues. On my far right is Dr. G. LaSalle, who is Chairman of the C.M.A. Committee on Medically Disadvantaged—Urban.

On his left is Dr. D. Cappon, Professor, Urban and Environmental Studies, York University. On my immediate right is Dr. J. S. Bennett, Secretary of the Council on Provision of Health Services for the Association, who will be the chief spokesman for the association this morning. I am going to ask Dr. Bennett not to read the brief but to very briefly review for you some of the highlights that are contained in it, and then ask Dr. LaSalle and Dr. Cappon to amplify one or two points from their particular point of view, and then throw it open to questioning.

Dr. J. S. Bennett, Secretary, Council on Provision of Health Services, Canadian Medical Association: Mr. Chairman, members of the Special Senate Committee on Poverty, on behalf of the Canadian Medical Association we would like to thank you for permitting us to come here this morning and tell you what we think about poverty and ill health.

We, as you know, represent over 21,000 doctors, and poverty enters into the delivery of health care at all levels. In the submission we have attempted in the beginning of the brief to relate the relationship between ill health and poverty, which has been pointed out by many people over the years. Just one or two specific examples were selected to point up this relationship and we have attempted to carry on and point out that this relationship still exists, and that in

spite of our improvement in living standards poverty and ill health are still present and seem to be inter-related.

We have taken, as far as we were able, figures and statements from various sources to show you that this relationship does still exist. I think the relationship is shown up in the report from the Winnipeg Health Department which was presented by them in 1968 in which they implied that the cases of instant dysentery were an indication of poverty and poor environment. I think that also in that context the submission from Vancouver in 1968 also pointed up this relationship.

I think, too, that the relationship between ill health and poverty has been shown in other areas of the country as well, not only in the rural environment but in urban environment too. We have got poverty in ghettos in our larger cities, and I think it is no secret to say that many of these people do suffer from ill health in the environment in which they live.

It is very difficult to define poverty, as I am sure members of the committee will have found out by now. Poverty is rather like beauty: it is in the eye of the beholder, and everyone has a different definition of what it might be. We tried to talk about the environment of poverty and relate it to the basic factor such as lack of good sanitation; the presence of poor housing; in some instances over-population and in some instances under-population; poor nutrition, and poor educational achievements. All these things contribute.

We have also tried to point out that among the basic ethnic groups, and by that I mean the Indians and the Eskimos who in many instances live in poverty—that their infant mortality rate is considerably higher than the so-called average. Taking one specific disease, tuberculosis, it could perhaps be pointed up that although there has been a spectacular drop in the mortality of the disease it is still found among many of the poor.

We have also, although it is not specifically our terms of reference, pointed up that there is a relationship between poverty and dental care and that dental care itself does have considerable influence upon the health of an individual.

We tried to show that these problems exist. It is not just a question that people are poor and are not taking advantage of the services offered to them. We try to look at some reasons why they do not take advantage of health services. We have mentioned in particular perceptual deprivation; the lack of the innate drive possessed by many of the non-poor people; the

instinct of self-preservation which may be lacking in those people. Some of them have a lack of perseverance and when they are rebuffed or when they run into problems, when they seek health care, they are sometimes set back so much that they make no further attempt to break out of that particular environment and seek a better form of health care.

There are the obvious barriers, such as educational and information barriers. Many of these people do not seem to know of the availability of the services. It is a question of going to them and in some instances having to actively seek them out and make them aware of what services are available.

On an educational basis also, many of them are not aware of the so-called basic health requirements. They may not be aware of the factors that contribute to disease: lack of sanitation; poor water supply; poor personal hygiene; poor housing. All these contribute to it.

We have tried to outline mechanical barriers. Very often these people know of the availability of health services but for some reasons it is impossible for them to take advantage of them when they are required. I think that we will speak a little more fully on the anachronism which exists today that some of the poorest in terms of health care are actually residents within the shadow of some of our largest teaching hospitals. The rural poor have mechanical barriers because they are removed from the sources of delivery and may not have the facilities to take advantage of them.

We have pointed out the general terms of the delivery of health care; that the medical profession in the past has in many instances provided health care for the poor; the fact that there is now universality of medical care but in many instances it has not improved the health coverage of these people and this kind of defeats the intent of the delivery of medical care as visualized in the medical care insurance act.

We have looked at the delivery of health care, particularly to rural disadvantaged. We have pointed out that there are problems, some of which are being resolved; in other words, staff recruitment problems and location of treatment centres, particularly among the northern disadvantaged people. We have looked at the delivery of health care to the urban disadvantaged. Both gentlemen sitting on my right are very knowledgeable along those lines.

We have suggested several means whereby health care can be brought to the poor. We have looked at the removal of financial barriers. We have looked at

the availability of these health care services and what we think is required in terms of geographic and temporal terms.

We talked about the education that is required at various levels to bring these people from the poverty and ill-health cycle. We have looked at their environment and suggested means whereby this can be done. We have talked about rehabilitation. We have mentioned the preventative medical services and then we have specifically outlined what the Canadian Medical Association is doing. We are in the process of undertaking a detailed study, and I quote:

Of the potential use, qualifications, training, licensing, controls and formal recognition of the physician-associate as a means of extending and improving the current health care system with particular reference to medically disadvantaged areas by isolation.

We have also along those lines made several other suggestions about health care to rural disadvantaged. We have also a committee looking into the medically disadvantaged. And we outline there some of the subjects which are either under study or will be studied; that is, recruitment of doctors, for group doctors' clinics; provision of allied health and social workers; examination of the role of the urban hospital with particular emphasis on the type of facilities offered and the availability of services, and the role of the medical student street-front clinics as currently instituted in several Canadian cities and the future of those clinics.

We have a committee looking into the delivery of health care not only to the poor but to all Canadians. Mr. Chairman, if I could just quote from the brief again, I think the last paragraph would certainly apply. I am quoting Prime Minister MacKenzie King when he said:

The preservation in health and strength of its population is surely the best of all guarantees of a nation's power, of its progress and of its prosperity. Our greatest national asset is the health and well being of our people.

Dr. Geekie: Just a couple of comments before I call on Dr. LaSalle to amplify one or two things that Dr. Bennett has said.

I think it would be unfortunate if we lost contact or improvement of things as they are today compared to what they were and it would be disrespectful for us to be in a room with people like Dr. Gordon

Bates and others who have been active in this area for some years and not point out that there have been tremendous advances made in the area for all populations including the poor.

We earlier heard a presentation relative to an outbreak of diphtheria in Pointe St. Charles. I would point out to you that in this has become a rarity in the 1900s. It becomes a medical exception, and I think the delegation at the back would agree that when this happened practically every medical student in the city would be anxious to see this particular patient because it might be the last chance he would ever get to see one. They just don't exist any longer.

Within the last ten years we have seen practically the elimination of poliomyelitis as a major cause of disease, and as a major cause of poverty because there is no doubt it was very heavy financial drain.

On page 13 Dr. Bennett has referred to the undertaking of a detailed study by the association relative to the use of physician-associates. This is really an acknowledgement of a need to see an extension of care. Whether this is the answer or not, we don't know, but there is no doubt that we have a shortage of medical personnel to meet the demands of service to the general public and the actual financing of same by medical care insurance is not going to solve our problems in this particular area.

In fact some of our speakers will point out that in one or two areas it will in fact aggravate the problem rather than solve it. However, certainly it was a major step forward.

On page 14 of the brief Dr. Bennett made reference to the provision of services, particularly in some of the remote areas, through university teaching hospitals and some of the hospitals in local areas. There are about four or five universities that have taken an active part in this with the Universities of Toronto and McGill being involved. The University of Manitoba and the University of Alberta are also very actively involved in the provision of this type of service.

This is in many ways somewhat similar to the situation outlined to you earlier this morning. These provide, first, the service required in those areas where there are not medical personnel and, secondly, they do provide very excellent training opportunities for younger physicians, residents, and so on, in this type of area.

Earlier we all made reference to the medically disadvantaged to live in our major cities. Dr. Bennett

made reference to the fact that some of those who are the poorest in terms of health care delivery unfortunately seem to live in the shadows of some of our major teaching hospitals.

We have a special committee studying this under the chairmanship of Dr. LaSalle.

Perhaps Dr. LaSalle might have a few specific comments to make in relation to the poor in the urban areas and major centres relative to health care delivery.

Dr. G. LaSalle, Chairman, Committee on Medically Disadvantaged—Urban, Canadian Medical Association: Mr. Chairman, members of the Senate, ladies and gentlemen, I do not think I should belabour the points that are in this brief or that have been emphasized by Dr. Bennett.

There is one point that struck me as a member of society and this is the influence that our technical world is having on unemployment. Years ago there were a certain percentage of jobs that could be held by people whose reflexes were not very acute, people whose intelligence might be a little lower than others. They worked in shanties during the wintertime, and they could work on farms as helpers, in institutions as cleaners and in elevators. But all these jobs have been eliminated. They cannot work on prosperous farms today. You have to have brains, and probably more brains to be successful farmer today than in any other job. You have to have brains to work in a shanty in the wintertime nowadays because they use some very complicated and dangerous equipment—dangerous to manoeuvre.

The same thing applies to jobs in our institutions. They have all been eliminated. So this is one point where our technology interferes in the economies of our society by creating a new kind of unemployed.

The second point I wanted to mention is the awakening that we have seen in the past five years among those interested in medical care on the sad state of health of those who live in the neighbourhood of our great international medical centres. We have seen it across the border in Boston; we have seen it in New York, and we have seen it at Johns Hopkins in Baltimore. The same would apply, I suppose, to Detroit and Chicago. We also have it in Montreal. This is one problem that the Canadian Medical Association has asked me to study with a group of my colleagues. As a matter of fact, the group that just preceded us from Pointe St. Charles are just a stone's throw from some of the best institutions in the world, and the state of health of those people is far from being up to par.

Mr. Chairman, that is the only comment that I have.

Dr. D. Cappon, Professor, Urban and Environmental Studies, York University: I think earlier on we discussed the relationship between poverty and ill health. What I would like to elaborate on is the relationship between poverty as a total thing and the economic factor, because poverty is certainly not just economic. There are instances where poverty is neither economic nor felt, although it exists. For instance, there are people who take self-imposed vows of poverty. They are by definition poor but they do not feel it and they need not be actually poor. In the life now of a great many young people, the hippies and yuppies who have taken up quite a lot of the leadership population, there is disdain for possession. So there are thousands of kids in the rising generation who are spending 100 per cent—not 70 per cent of their earnings or money for subsistence, but they neither feel poor nor are they poor. Then of course there are the economically poor who do not feel poor, who have a rich family life and healthy children and who are essentially living on the produce that they raise themselves. So there are at least three categories of people, and probably many more, among whom poverty exists by definition although it is neither economic or felt.

Then there are situations where poverty is felt and felt very acutely but it is not economic because there are lots of people in urban areas, in Toronto, Montreal and Vancouver, who earn between \$6,000 and \$10,000 a year and support a large family. They live in an urban area in an era of inflation, and it does not matter that they happen to earn as much as this. The fact is that as a result of inflation and because they cannot make ends meet, they do spend 70 percent or more of their \$6,000 to \$10,000 on subsistence. In other words, wherever there is a disparity between a person or group and their neighbours, poverty is felt even if it is not economic.

One could add to this. One could say that poverty is extremely acutely felt on the basis of a rising expectancy. If everyone is poor in a rural area in Canada, or if there is a depression and everyone is poor, there is no rising expectancy. Everyone is equal with his neighbour and there is no acutely felt poverty.

But if there is an intermixing with some groups as in pockets of poverty in urban Toronto, people expect to be well off and if they are not, no matter what their level of income, they feel themselves to be acutely poor.

Other comments I would like to make are about the associates of poverty. Poverty is a state of being. It is not just an economic formula that economists have put forward. It has important associates of which ill health is paramount. Ill health in some form or another is universal in areas of poverty, especially in mental health, and one of the aspects of the poverty cycle is the mental attitude with regard to one's self—the image that the poor have of themselves that keeps them in the poverty cycle, because very often there is no lack of I.Q. There is no lack of information available, and there is no lack of delivery of mental health. That, too, is available. What is lacking is the perception that they have of themselves of being equal with other people. So these people are in a cycle and they are trapped in it and they will not emerge from it.

Emotional deprivation or a state of lovelessness is an extremely common associate of poverty. There just isn't enough time and opportunity and love to go around, so the children get deprived and a state of poverty exists.

Of course, there is ignorance and fear. There are more medical services now since health insurance and medicare than there ever were. I think the chairman was absolutely right. To begin with their quality is not what it used to be in the days when teaching hospitals were dedicated to the poor. The services are there but they are not being made use of by the poor, as has been pointed out before, because of their ignorance and fear in approaching these services.

In relation to this I would like to make a recommendation to the Senate Committee on Poverty, which I will come to later, as to what could be done about that.

Another important associate of poverty is physical environment. If it is not dilapidated to begin with, it soon becomes slum-like, even if the public housing is modern and even if it is high-rise. All that happens in the high-rise is that you squish or squash the slump upwards instead of horizontally.

Poverty means political poverty as well. It means that the people power that may exist among other people is lacking among the poor because the poor are disorganized. They are obviously not joiners. They are not articulate, for one thing. They are not sufficiently educated. In any case, they do not care enough to join one another so that they do not form associations, or present themselves politically so that they are politically deprived of power.

They are also judicially deprived of justice. The legal aid system, especially the one in Ontario, is the finest in the world, but it is not good enough. If you want to get a divorce and you are poor, you simply cannot do it. So people who are poor live common law. They do not get divorced and that produces emotional deprivation.

There is intellectual poverty among the poor. The reason for that is that the population sifts itself, and the more intelligent become more mobile and the less intelligent lag behind and get trapped and sifted down in areas of poverty. So there is a falling intellectual ability among the poor.

The social attitudes of others towards the poor is benign charity at the very best and hostility at the very worst. The best example of hostility of the non-poor to the poor happens in public housing. All you have to do is to put a public housing unit up and the hostility of everybody rises because they do not want their children mixing with the children of the poor who they consider to be automatically inferior and because the price of their property comes down, and so the hostility is pretty high.

In summary what I was trying to say is that poverty is not entirely economic. Perhaps the economic measure is the least measure of poverty. There are instances where poverty is economic but is not felt. There are instances where poverty is felt and it is not at all economic, and most instances, when they coincide, the many associates of poverty have to be associated at the same time and thought of at the same time.

Dr. Geekie: Mr. Chairman, before you throw this open to questioning, I would like to make one comment of behalf of our New Brunswick Division. Within the last few days you had representation from the Province of New Brunswick in which you had some discussion relative to the provision of health care for welfare patients and the cost thereof. There was one comment to the effect that welfare patients were being refused health care by the physicians in the area.

The Chairman: Just hold everything. Does anybody remember that statement. Does anyone remember that statement being made, that welfare patients were being refused service by doctors in New Brunswick? I was here, and I did not hear that, doctor. The minister was here, and we would have .

Senator Fergusson: I do not remember that.

From The Floor: What was said by the welfare minister? He said that some doctors do not want to take welfare recipients.

The Chairman: What he said was in this context: when the question came up as to why one doctor had more money coming to him than another, he said that some worked more and some said, "Go some other place". That was the context, if I remember correctly, and that is common all over the country.

Mr. Geekie: We would like to put the record straight on this. I think you were referring to the northern area of New Brunswick, and Senator Fergusson was involved in the discussion with Senator Fournier. We would like to point out that we have looked into this in some areas and it is quite conceivable that a welfare patient might have been refused service, but for the same reason in that area as anyone else. We would like to point out that in that area there is one physician for about every 3,800 people. This compares to one for 825 in the country as a whole. This is one of the areas, and there are several in Canada, in which there is just a chronic shortage of medical personnel. We wanted to make sure that the Senate Committee was aware of this information. To our knowledge, contrary to the report, we know of no areas where welfare patients or anyone else are denied service by the profession whether they are paid 70 percent of the fee, as they are in New Brunswick, or paid nothing at all.

The Chairman: We know of no such instance either. This was an unusual situation where a man was practising in an area where there was no other doctor. He did the very best he could and where he could not, he referred the case to someone else. This happens in the City of Toronto, too.

Madame St. Aubin: May I say something about that?

The Chairman: Yes, go ahead.

Madame St. Aubin: There are many doctors in Verdun, which is a town right beside Pointe St. Charles, and many of those doctors refuse the card from people on welfare. I know this to be a fact, because I know a woman who died because of that. She was refused by a doctor and then she was so shy she did not ask for anyone else to come. They had to get her to the hospital at the last minute, and she died two days later.

The Chairman: Dr. LaSalle, you are aware of the practice in Quebec. We are not so aware of it. How does it differ from that which we carry on in Ontario?

Dr. LaSalle: I think for the past three or four years they have adopted the same system where the welfare patients are entitled to medical care and the doctor's services are paid for. That is only a new development. Up until three years ago, all these cases were treated for free.

I cannot make any statement on this except that cases like that should be brought up to the attention of the College of Physicians. I know they will deal with cases like that because I was on board of the College of Physicians myself for three years. As a matter of fact, I think I am the one who started getting that as much publicity as we could on TV, radio and in the newspapers. But any case such as that should be reported.

Mme Claire St-Aubin: Je vais vous donner un exemple que le médecin a refusé, parce qu'il a dit: « Ne me remontez pas cette carte-là, parce que je ne revien-drai pas. »

Dr. LaSalle: Je l'ai dit au début, madame, et vous n'avez pas compris. Je suis obligé de me fier à ce que vous me dites. Je ne peux pas donner de réponse à votre cas, car je ne suis pas au courant. Dans la province, actuellement, ces cas-là doivent être rapportés au Collège des médecins parce que le Collège des médecins compte maintenant douze médecins, plus que toutes les autres provinces ensemble. Des cas sérieux comme ça devraient être rapportés au Collège afin que le Collège puisse faire enquête.

Mme St-Aubin: Peut-être que l'on serait mieux de continuer en anglais.

The Chairman: Are you satisfied that you made your point for the record on the question that was asked?

Dr. LaSalle: Right.

The Chairman: So there is no misunderstanding and anyone else can refer to it.

Dr. LaSalle: Right.

Senator McGrand: I forget who mentioned that the poor do not take advantage of medical services, and yet as we have gone around the country the last few

months we have heard that charge everywhere. Halifax, Montreal, Toronto.

What is the cause of that breakdown? I think it was the same speaker who said, "When they are rebuffed". Now, why are they rebuffed? Where is this breakdown between those who administer medical care and those who are too poor to have medical insurance?

Dr. Bennett: I think we should start by saying that really nobody is too poor to have medical insurance, because it really doesn't make any difference whether they are rich or poor under the universality of medical care. The services are available to them.

I think Dr. Cappon, in much more detail than I did, pointed out that there is this lack of drive, this perceptual deprivation in these people that does seem to provide this barrier between them and the provision for health services. This is why as I said it may be necessary to go and seek these people out. These people exist. They are ill. People know that they are ill but they do not take advantage of the health services. I am sure Dr. Cappon will elaborate on this.

As to the second part of your question as to why they are rebuffed, if you ever had the time or opportunity to sit in the out-patient department of a large urban hospital, particularly a teaching hospital, I think you would see in many instances where someone who is not poor, using the term in its general sense, might be sufficiently aggressive enough to demand and obtain services whereas someone who perhaps is already a bit perceptually deprived would sit in out-patients' department and let the world go by. He would become secondary to the system of the delivery of health care and eventually sort of give up and feel they didn't want him because he was poor, and he would never go back.

Senator McGrand: You don't mean that they are rebuffed deliberately; they just simply come up against the problem and then fall away from it?

Dr. Bennett: I am sure all doctors have had patients who have sat in the corner of the waiting room, and you more or less have to go and get them because they won't come in. They feel that they are imposing. They have a certain attitude of mind which I cannot describe, but I am sure Dr. Cappon who is a psychiatrist, can.

They do not impinge themselves upon the delivery of health care, and perhaps they construe the lack of rapport which sometimes exists between themselves and the doctor as a deliberate insult to them. This is what we mean by rebuffed. We don't mean that they

are told to go away because they are poor and not to be cared for.

Senator McGrand: You mean they are influenced by this cultural poverty that they seem to be caught up in. That has a lot to do with it, has it not?

Dr. Cappon: Let us talk about urban poverty, because the same thing does not apply in rural areas where there are family physicians who know the people, and where communication is better. So, to begin with, we are talking about an impersonal environment where people are units and where numbers are given and no one knows anyone else anyway. The poor do not call a doctor or come to the hospital except in an emergency. So, they are emergency-orientated. They leave it to the last minute. Why? Because they are in awe of the institution, of doctors, of policemen, of all the huge imposing buildings that medical hospitals are nowadays. So they do not make their approach until it is almost too late. That is what happens.

Several other things happen afterwards at the interface between the prospective poor patient and the doctor or the medical organization which, as Dr. Bennett suggests, discourages them from coming again. It is mostly neglect.

Senator McGrand: The group from Pointe St. Charles are pleased with the success that they have had. I think you were here when they gave their presentation.

Dr. Geekie: I was.

Senator McGrand: They are very pleased with the success they have had. I have a feeling that that is perhaps the way to approach this problem in some of our large centres, by sectioning areas such as Pointe St. Charles, and the downtown parts of Ottawa, Toronto and Vancouver where there are congregations of poor. These people feel at home when they go to little places like the one at Point St. Charles; they do not feel rebuffed. Isn't that it? They are in a milieu that they understand.

Dr. Geekie: I think this is largely the case, sir, but I would like to take it a little further. I think the group from Pointe St. Charles would be the first to agree, as they pointed out to you, that one of their major concerns is research. This is a clinical research study, if you like, into servicing this particular type of area.

There are others in other parts of the country which are functioning a little differently and quite effectively, from their point of view, but still they have to be proven before we can really say that this is the answer.

You mentioned a little earlier, sir, that one of the things that we are trying to replace is the old "family physician" as people saw knew them some years ago. I think this is a relationship that also is involved here. The big teaching hospital is a far different institution than the family physician who had an office in his home and probably was only two or three blocks removed from where these people lived and his patients could relate to him. He was a member of the community. The majority of people practising at the Royal Vic do not reside in Pointe St. Charles so they have relatively little contact with this particular group. I do not think anyone at this stage of the game can say what the real answer is. We are looking for the answer. There is a recognition that there are inadequate services in these areas, and we are probably going to have to find new ways and means of providing them.

Whether the Pointe St. Charles system or comparable systems is the answer is subject to question, because with this particular type or group of patients, continuity of service is extremely important, perhaps more important than with the more affluent part of our community. And teaching hospital clinics are not renowned for continuity of service.

If you go to a teaching hospital or one of these community clinics quite frequently you will see a different physician each time you go. Certainly this would seem to be the case with regard to medical students who are participating in some of these clinics. They are only going to be there for a short period of time, so the next time the patient goes back, he probably sees a new individual. The same thing is true at the teaching hospital.

Senator McGrand: That is why he calls himself a number instead of a person.

Dr. Geekie: To some degree, yes.

Senator McGrand: I graduated from McGill in 1923, and I have many memories of the old out-patients' department of the Montreal General Hospital filled from morning to evening with patients coming in and getting medical care, poor people getting medical care with very little expense, and then all went away quite happy.

Now, it does not seem to me that the population has increased over the years in proportion to our medical facilities. We have bigger hospitals and more X-rays. We have all these things that we did not have in those days. Most people have medical insurance, but still there seems to be an inability, on the part of people to get the medical care they are looking for. And, of course, the poor come last. This seems to me to be a big problem to face.

Another point is that rural populations disappear and in the future you are not going to have many rural people or rural doctors, with the result that this is going to be an urban problem. Is this not so?

Dr. Geekie: I will turn this over to Dr. Cappon, but I am going to make one comment, before I do. I am sure you are quite aware that the need for medical services is one thing. The demand for medical services is an entirely different thing, and it has been our point that the demand for medical service by the population as a whole is increasing at leaps and bounds beyond the facilities to provide it. It is in short a bottomless barrel.

Senator McGrand: It would seem to me that the population does not increase tremendously. We have an increase in facilities and we have more drugs, antibiotics, insulin, and all these things that keep people well, but still we seem to have more illness than we had previously. I have my idea why this is so, but there is an awful lot of people throughout this country have no idea why it is. Just give us your idea why this happens.

Dr. Geekie: I think you are leading to the psychiatrist, sir, so I will just give it to him.

Dr. Cappon: I think the first thing the psychiatrist would say is, "What is your own idea why this is so?"

Senator McGrand: I will give you my idea. People want to have a perfectly healthy body. They are not satisfied to suffer any minor ailment today. They think there is medical care and all these facilities, all these wonder drugs, and perhaps these wonder drugs lead them to it. I think that is why. People are demanding more from medical care and they expect more from medical science than they ever did before. Is that right?

Dr. Cappon: I do not think it is the full answer. It is certainly right that there are more psychosomatic and neurotic illnesses now than there were previously

because of what you mention; people want to have a perfect mind and a perfect body. However, it is a different thing as far as physical illnesses go, such as lead poisoning in children, which is an index of poverty. It so happens that even in the most affluent of nations like Canada and the United States, 20 per cent of the population are poor. There are forty million poor in the United States, and 3,500,000 in Canada, and this 20 per cent of the population suffers something like 75 to 80 per cent of the major illnesses.

Senator McGrand: You are referring to Canada?

Dr. Cappon: Yes.

Senator McGrand: I had better get those figures.

Dr. Cappon: I say that there is relative poverty in Canada that amounts to about 20 per cent of the population, and they account for three-quarters of the illnesses.

You get the same situation as to accident proneness, in these cyclical situations where 10 per cent of truck-drivers account for more than 75 per cent of accidents. The same situation occurs in the poor.

There are two recommendations that I want to suggest myself which in part relate to your questions but which would only be part solutions because they would not overcome the impersonality barrier. The first suggestion is that all teaching hospitals be required to use their students and their facilities to support general practice in their areas. In other words, huge teaching hospitals so richly endowed with money and personnel should cease to live in their fortress and should go out and relate themselves at least to the population in the immediate vicinity.

This is what John Hopkins has not done, and until recently, it has been one of the foremost medical schools in the world. But they have richly deserved the hostility of all the community around them. People have wanted to burn it down because it did not do this. I would suggest that Canada learn from the experience of John Hopkins and others and require the teaching hospitals to do general and specialist practice and support the general practitioners in going out into the community; not staying there and waiting for patients to come.

The second recommendation I would suggest is to integrate the environment with medicine, to bring medicine to the people and to de-institutionalize and de-centralize medicine. At the present time the distance between a central large hospital and the

people, the poor, is an unbridgeable distance. In order to bridge this distance and take care of the environment, I would suggest that wherever there is a housing development, especially a public housing development, it should be a requirement that medical facilities be provided. Within the housing development, there should be clinics built for group practice where doctors should be encouraged to go, just as they should be encouraged to go into the north country to practise. These are two suggestions I have.

Senator McGrand: This is much like what is occurring at Pointe St. Charles.

The Chairman: I have one question. I do not recall any similar undertaking to the Pointe St. Charles one in the City of Toronto at the moment.

Dr. Cappon: No.

The Chairman: And we do have some teaching hospitals that are pretty well endowed, despite the fact that they cry for more money?

Dr. Cappon: Yes.

The Chairman: Do you share that view, Dr. Sullivan?

Senator Sullivan: There is not a duplication in Toronto of what these people are doing in Pointe St. Charles. I think they are doing an excellent job, but I want to re-emphasize strongly what Dr. Cappon has said. Some of the large teaching hospitals, due to the funds that they are being endowed with, are being "fossilized". And here I am using the words of the famous English surgeon Sir Arthur Lang. When asked about Hopkins, he said, "Hopkins, oh, yes, the place where they fossilize men." That is what is happening to a lot of the big teaching centres. They are medical science complexes. They have got to get out, as Dr. Cappon said. It is a very good point he brought out because it could be imparted to a great many of the deans of medicine across this country today. Let us emphasize that one.

The Chairman: Well, Dr. Sullivan, we are all laymen except Senator McGrand, and we have been sitting back for a long time. You people have been running the hospitals and the medical associations. What has kept you from doing something about it long before this?

Senator Sullivan: Correct me if I am wrong, Dr. Cappon. There are two groups developing in medicine.

There is one group composed strictly of medical research people, who practically never deal with patients. There is a medical research complex in each of the large teaching hospitals.

Then there is another group made up of top-notch men, who are dealing with patients. But there is an effort to direct every outstanding man into research, and away from being a practising physician dealing with patients. I feel that in spite of medicare this is due—I do not like to say this, Mr. Chairman—to these institutions having had unlimited funds bestowed upon them. They have been endowed with the idea that we must turn out nothing but research medical scientists and not the doctor who can go out in the Community and take care of patients, as you people were emphasizing.

As one who has been engaged in research all my life, I am being quite frank when I make that statement, and I hope the change will come about.

Senator McGrand: Mr. Chairman, I have a question, that was half answered. You said that 20 per cent of the population is among the poor, and they have 75 per cent of the diseases.

Dr. Cappon: Illnesses.

Senator McGrand: If you went to the Civic Hospital in Ottawa, which has approximately 1,000 beds, and if you went from bed to bed, would you expect to find that 75 per cent of the sick were among the 20 per cent of the poor?

Dr. Cappon: No. You used to find that.

Senator McGrand: That is right. In the old General Hospital in Montreal, the wards were nearly all public patients.

The Chairman: Senators, would you mind letting the witnesses answer your questions. What is the answer to that?

Dr. Bennett: Mr. Chairman, I think I can partly answer it, by saying there are these education, information, and mechanical barriers between the poor and the provision of health services. We have tried in a brief way to outline what these barriers are. We are aware that these barriers exist and we are trying to do something about it.

If I may also answer something that you brought up earlier. I think that teaching hospitals are beginning to recognize that they have not been catering not only to

the public but to the medical profession itself. If you look at the teaching hospitals you will see that many of them within the last few years have instituted, by whatever name they like to call it, family practice units whereby family practitioners are being trained in an academic environment. They are being exposed to family practice while still within the academic complex, and family practitioners are returning from the field to the academic environment to be upgraded in terms of their specialty. Let us face it, family practice is just as much a specialty as anything else. Due to many reasons, the image of the family practitioner has been denigrated and put at the bottom of the totem pole.

I think the place of the primary contact physician is being recognized. The academic institutions are recognizing that he has an important role to play and the establishment of these family practice units is going a long way towards answering the points that you raised earlier, that they are not entirely being lost in the aura of research. They are coming back to the grass roots, to use a phrase that has a political connotation.

Senator McGrand: I asked this question and it is about ten minutes ago since I asked it. If 20 per cent of the people produce 75 per cent of the illnesses, I would expect that in a large hospital of 1,000 beds to find a greater number of people from that 20 per cent than I would from the remaining 80 per cent. But I think if you took a census of the hospital beds you would not find that. I asked you if you could give me a reason for that. Is it because people who do not need to be in hospital are occupying beds because they have medicare?

Dr. LaSalle: Someone made the statement a few minutes ago that we had spent a lot of money and provided ourselves with tremendous buildings and institutions. But we have not built the right institutions. We thought that we would be doing a good job by adding beds. There is only one thing that is sure about a bed: if it is available, it is going to be fully used.

Twenty-five per cent—and that is a low figure—of patients in hospitals today do not need a hospital bed any more than I need another pair of hands. But they occupy these beds at the cost that we know of, and they use up the physicians' time, the residents' time, and the nurses' time.

The Chairman: Doctor, who keeps them there? Do I keep them there?

Dr. LaSalle: You don't.

The Chairman: Who Does?

Dr. LaSalle: Doctors do, I will be raising that point in a talk I am going to give. I will send you a copy. This point has been taken up. We are finding today that our institutions are filled with beds but they have not got the facilities to look after the out-patients. They have not got the facilities to do the referred work, and the lab and X-Ray work, that the doctors and general practitioners are asking to be done. The slowness of the process is such that everyone gets discouraged. Moreover.

Let us talk about the out-patients. The out-patient procedure of a big general hospital is part of the hospital's administrative process. It is impersonal, slow, and full red tape. This keeps patients away too. This matter is being taken up by the deans. I know they are worried about this in the United States, and I think some of that worry is creeping up into Canada. Let us not be mistaken. We have not got the proper facilities to look after the patients.

Dr. Geekie: We have two distinguished senators here who have graduated from probably the two most prestigious medical schools in this country, the University of Toronto and McGill. These are the institutions which are producing the majority of Canada's teachers. They are not producing the providers of medical care.

To come back to your discussion about teaching hospitals and the proportion of the population, the truth of the matter is that the major teaching hospitals are not community hospitals. They do not serve a particular community. They are very largely referral hospitals where they are drawing special patients from great distances across the country, so they do not give you an accurate reflection of the disease or care required in that particular community.

Senator McGrand: I you went to the Charlottetown, St. John's, or Moncton, or Saskatoon and went to a large hospital of 500, 600 or 800 beds, whether it was a teaching hospital or not you would find that the majority of beds are not occupied by that 20 per cent of the people who suffer 75 per cent of the illnesses.

Dr. Bennett: You may be correct. I cannot answer that.

Senator McGrand: Mr. Chairman, you told me today you wanted me to ask questions so I am going to take advantage of that.

The Chairman: Yes, of course I did, but you are going to have a chance to ask questions in a minute. Senator Inman has a question and then we will come back to you again.

Senator Inman: With regard to the last question that Senator McGrand asked about conditions in hospitals and the beds being occupied, I was on the trustee board of a very small hospital in my own hometown and the same conditions existed there. What do you propose could be done about this situation? You are doctors, and after all you did say that the doctors keep them there. And I know that very well. What conditions could be arranged?

Dr. LaSalle: I apologize for using my own institution as an example, but we had a big problem in Sherbrooke so we set up a division of social medicine. It is headed by a young economist—he is not a doctor. Its purpose is to try and change the mentality of doctors so they would become cognizant and worry about the social implications of disease and sickness and economic conditions as well.

We feel that we will have to go right back to the beginning and educate a new brand of physician whose eyes are wide open to these very important economic conditions, and all the implications of disease, hospital care and social welfare.

There is a change coming about in the United States now. You have read about it in magazines. I am talking about the NIH, because it was pure research. Very little research was applied to the distribution of medical care. The system was such that they did not graduate their young doctors as practising physicians. I think the deans are quite worried about this situation today.

Dr. Cappon: I would like to emphasize Dr. LaSalle's comments and support some of the things Dr. Bennett said. I don't know any hospital, not just teaching hospitals but any hospital that is built for the patients. With all that has been planned and built, it seems that all hospitals are built for the needs of its doctors and nurses. When we build hospitals for patients as opposed to institutions for the permanent staff, I think we will humanize both the institution and social aspect of medicine much more.

This has not happened. Society has become technological, and advances have been sought from the scientific point of view. Money has been given for research but no research has been done about getting your ideas across to people.

A new era is coming and the young are leading the way. By their dress, speech and value system they will force us to break down this arrangement and build hospitals from the social point of view or from the patients' point of view.

Dr. Geekie: Many patients are kept in hospitals for the simple reason there is no other place to send them. There are many patients in the hospital who conceivably could be as well or perhaps better cared for in nursing homes or their own homes, if the services were available. But these things just don't exist, so what do you do with people? What do you do with old, senior-citizen patients whose families no longer accept the responsibility of caring for them when they reach that age? When you have no facilities, no chronic care hospitals, what alternative do these patients really have other than to be maintained as patients?

The Chairman: I think personally you are doing the right thing in maintaining them in these circumstances, but that is not the answer. In this country, as you know, we have nursing homes, some good, some bad, some indifferent, and at the present time they are not covered under the agreement, with the exception of British Columbia. We recommended that they be covered in 1966 when we studied the matter of aging. Since then B.C. has, I have not seen you doctors getting behind that kind of pressure, or have I missed that?

Dr. Geekie: You must have missed it because we have always advocated the need for chronic care hospitals and nursing care facilities.

The Chairman: And treatment under the system for that?

Dr. Geekie: Yes.

Dr. Bennett: On a very personal level, for four years in the hospital in which I work we were to build a chronic care unit. One of the greatest costs in the provision of health care is the so-called acute hospital bed. A system of graduation from acute to rehabilitation to chronic was well outlined in the task force reports gathered earlier this year. This would be the answer. We have found that it takes a tremendous amount of political pressure to get these services provided by the province, and, with all due respect I do not feel that the medical profession as such necessarily has the strongest political base in the country. We are a relatively small percentage of the voting population. There are 25,000 of us in Canada, and we do not carry too much weight politically.

Senator Fergusson: You have great prestige.

The Chairman: I will give you a short lesson in politics. I sit with other members of Parliament and we discuss problems that are common to us all. This problem is constantly discussed, and there is a certain pressure on members to do something. It is your member of Parliament, at provincial and federal levels, who you can bring pressure to bear. You do not have to do it yourself. You ought to take this to your member of Parliament, provincially or federally, and you will be surprised at how soon they will act.

Dr. Bennett: That is exactly what we did. The prime minister of British Columbia came from the town in which I was practising, and we did exactly this. But I do not think it fair to leave the impression that the medical profession is unaware of this problem. We are as much aware of it as any one, and have tried to do something about it. I would respectfully submit, however, that we are perhaps a small voice crying in the wilderness and much of the pressure has to come from other segments of the population to reinforce anything we may present and perhaps Dr. Sullivan and Dr. McGrand . . .

Senator Sullivan: We will have to re-baptize the Minister of Health.

Senator Inamn: I want to pay a little compliment to our province. We have a very lovely chronic home. We were fortunate enough to have a practising physician as Minister of Health. At page 6 of your brief I was very interested in reading about the travelling clinic. You recommend some sort of travelling doctors' clinic, but I was wondering whether the public health services could provide this. It would be a wonderful thing for the people in real distress. If they found serious cases they could not deal with they could refer them to private medical sources.

Dr. Geekie: There are a number in the University of Toronto who are on a roster of physicians. They are using resident doctors who are located right there for a period of time. The University of Manitoba is providing the same type of service for the northern part of Manitoba, and the Indians of the Northwest Territories. A group of general practitioners in a hospital in Winnipeg are providing volunteer services once a month every year. They are giving servicing in the area in just exactly this fashion.

The University of Alberta has done what you suggested, but on a smaller scale. They have medical students, third or fourth year students, located in the

field working with public health nurses and other nurses working in the area. So these have been established but on a small scale, and they are being studied to see how effective they will be.

Senator Inman: On page 2 you speak about differences between under-privileged men and women taking advantage of medical services despite their higher illness rate. You say that women in this category do not take advantage of these services as often as do the men, or as often as the women in the higher-pay echelons. Why do you think this is so?

Dr. Bennett: That is an awfully dangerous subject to try and answer. There are so many factors involved. As I am sure everyone is aware, there is a marked difference in the self-health assessment between the sexes, speaking in a general manner. So, you have this factor to think about in terms of comparing two sexes, and when you compare the sexes within the facilities that you find, I cannot give you an exact package answer to say why this or that is so.

Dr. Cappon: I was not aware that there was too much difference. I know that women are very prone to take their children to be cared for by medical services. That is their first priority but when it comes to themselves they are reluctant to do that.

Dr. LaSalle: I think men fuss more. They actually have a higher pain threshold.

Dr. Bennett: When you get down to this level, there is introduced the lack of perceptual appreciation of health care.

Senator Inman: I have come in contact with that sort of thing, and I just wondered what you thought about it.

I have one more question. When you were making the studies on the delivery of health services to the disadvantaged, what use do you propose to make of these completed studies? What do you expect to come out of it?

Dr. Geekie: We would hope that these studies would result in a change in the system in which health care is provided for the Canadian people. It is obvious even in the area where they start that there is a shift in people as to how they obtain their health care. The Pointe St. Charles Clinic is a logical example. It is obvious that a fairly large proportion of the patients that they saw previously were not receiving care, or were receiving a

different type of care at one of the out-patient departments of a major hospital.

The Canadian Medical Association has submitted certain recommendations to the Department of Health relative to the task force reports. I am sorry that I am not at liberty to divulge the recommendations, but a number of the things that have been touched on this morning have been specifically recommended.

For example, we have suggested that we should set up a pilot project to study the use, training, et cetera, of physician associates. This is a group of people who would be somewhere between a highly-qualified nurse and a physician and would be working in a variety of situations. They would be working in the north, for example, where no physicians exist. The type of care they would be providing there would be one thing. They would also, hopefully, be used in the private physician's office where they could perform many of the less demanding tasks to allow the physician to spend his time where his highly-skilled training is required.

This would obviously make a shift in the way in which health care would be provided, to render—and I think this is most important for us to remember—the quality of care that the Canadian public requires and demands. We must at all times protect the quality of care that the people are receiving. We must, as much as we possibly can, not allow the quality to deteriorate. The Canadian people do not want second-class medicine. They want first-class care.

Secondly, they have to watch at all times, as is becoming very evident, the cost of providing this type of care. On the surface it would appear to be more economical to provide services by lesser-trained people, but in effect on some occasions the exact opposite could be true. It can be more expensive to provide it rather than less, and it is this type of question on how it will function that we are trying to find the answer to. Those that work and work well I am sure will be accepted by the profession and utilized, and it will effect a change in the manner and system in which you receive health care. Some of it you may not like. Most people are not very happy about not being able to get house calls. This has been a shift in health care that has occurred in the last year. It has resulted from necessity because of costs and the shortness of personnel. A lot of people are not very happy about this.

You may not be happy with some of the changes that come in the future but if they are the most effective and best way of providing the health care, obviously this is the route that we should be taking.

Dr. LaSalle: One of the big paradoxes of the actual situation is that while medical schools and research labs have produced a lot of new ideas and knowledge, they have not made sure that this new knowledge is available to those who need it. They have spent too much time in their labs, and they have forgotten about the communities. Today the accent has to be a return to the community, and I think we are realizing that. What I am a little bit scared about is that the cost of medical care is going up so fast that the accent may be on trying to reduce costs instead of trying to make sure that the population requiring care gets it.

I just read in the press where they had a meeting in Ottawa on task reports, and practically all of them deal with reducing costs. But that is not the main problem. The main problem is to see that those who need care get it. If we work out a good system, it will cost less. We will spend less money on the big hospitals and more to see that the patient gets the care in his home or in the doctor's office where he needs it.

Senator Sullivan: By means of the physician-associate?

Dr. LaSalle: By means of a new system if needed.

Senator Fergusson: We are grateful to the Canadian Medical Association for coming before us, because your presentation certainly will assist us in our work. You have told many things that we did not understand as well before.

I am not going to take too long, Mr. Chairman, because I feel that Senator McGrand and Senator Sullivan have some questions much more penetrating and useful to the committee. I studied the brief and there are a few things that came to my attention that are different from what we have heard so far.

In your recommendation on page 12 dealing with rehabilitation, you point out the inadequacy of treating symptoms and then sending patients back to the same physical or social environment in which he was before. I know that doctors cannot do much about this, but have you any suggestion about what can be done so that you just do not send them back into the same situation that they were in before—and then perhaps have to come back to you again?

Dr. Bennett: Mr. Chairman, perhaps Dr. Cappon will elaborate on this, but I think that this is where one sort of starts thinking about medicine in a larger social context and not about an individual per se. You have to start with the individual, then the family unit, and

then the environment. As we have pointed out, it is of little value to treat a patient and return him to the environment from which he came, which perhaps was very instrumental in creating his illness in the first place.

The whole social concept of this type of medicine has to change. It has to move away from the individual into a much broader base. It is going to involve para-medical or allied health personnel, and you are going to involve home care nurses, and rehabilitation centres to a greater extent. You are going to involve things that Dr. Cappon has been involved with in his activities, the creation of social activities. These are really part of the health picture. They produce happiness, and a happy person is less likely to have certain mental illnesses.

I think this is what we mean by improving the environment. You impose the environment structurally by providing better housing for the people, better educational standards in terms of personal hygiene, and health care. It is a terrifically large picture to try and create.

Senator Fergusson: It is an integrated program throughout many areas.

Dr. Bennett: Could I give you a simple example of what we are talking about? There are a number of Indian reserves in the northern parts of several of our provinces, so one can only say that we have there a chronic situation of dysentery, especially among the children. They are treated and sent back to the community and are re-infected. Dysentery is transmitted by poor sanitation and infection. There is no sewage disposal. There is no practical way at the moment of cleaning up this particular situation. So, this is a never-ending cycle. You treat the child, he goes back, he is re-infected because of the environment he lives in, you clean him up again and he keeps going back. In short, there is really only one answer and that is to take them off that particular site and move them to one where they have got proper sanitation.

Now, that is a very simple example of change in environment. Dr. Cappon could probably give you a more complicated one.

Dr. Cappon: The wisdom of the ages is sifted through language, and it is a wonderful thing sometimes to study language to give you an answer to this particular question. I don't know if you are aware that welfare, wholesomeness, healthiness and holiness are

commonly rooted. The wisdom of the ages told us a long time ago that you cannot deal with the health system without affecting the others, and you cannot really make a decent report about poverty either, certainly not about health and poverty, without taking in the whole environment.

For instance, the labour unions have to relate themselves to this problem. Recently they promised to do something about the poor. Well, they have to relate themselves to the health of the poor. Industry has to do the same. In building developments you have to think of the health unit as part of the building development. You cannot really affect one system or implement one thing without affecting all the others.

So it is more than what Dr. Bennett says. It is more than the fact that we are only 25,000, and we do not have enough political power. It is a fact that we are caught in a "now" society where everything is extremely complex, and the question of health bears on wealth and even holiness. It has to be looked at as a totality or it is no good at all.

Senator Fergusson: On page 13, paragraph 49, you say:

... in the present system of the delivery of health care is the carrying out by highly trained individuals of procedures that could be done equally well by others with lesser training.

Could you explain that? I understand that we have Nurses' Aids, but how is that going to work among the medical profession? How is it possible for it to work?

Dr. Bennett: I can elaborate a bit on that. I think we mentioned a short while ago when talking with Dr. Sullivan that many of the tasks that are done by physicians, particularly in this day and age of increased demands by the public, could be very well done by someone else. In the armed forces particularly, people are screened so that only those who really need attention get to the physician. Others are very adequately treated by service orderlies. This is one method of medical care within the armed forces. We have to look at whether this could apply to civilian life. There are schemes in the United States, for example at the University of Denver, Colorado, where they have pediatric assistants. These persons have received a certain amount of training and can deal with the runny noses and minor ailments of childhood, leaving the pediatrician who is trained to deal with more complicated aspects of pediatrics to devote his time and his skills to that aspect. This is the type of thing that we have to look at.

We cannot say that this is necessarily the best method. There are all sorts of factors involved, the least of which is consumer acceptance.

Senator Sullivan: Mr. Chairman, I will be very brief. First of all, I want to thank you for allowing me to participate this morning, for I am not a member of your committee. As one who has been interested in welfare all your life—and I know your brothers very well—I know what this presentation means to you. This is an entirely new concept that you have heard this morning. I would ask that Dr. Cappon's complete brief be published. I think it is most important. That is all I have to say.

The Chairman: Senator Sullivan, you have not been reading our proceedings or you would know it has been published.

Dr. Cappon: At the risk of appearing impertinent, I do want to make a suggestion about the usefulness of Senate hearings and even royal commissions. I think they are marvellous forums for ventilating feelings and for putting ideas forward. But if you were to do something in the area of poverty, I would suggest that the results of Senate hearings should not be implemented in any kind of way, because these days you cannot and you must not do things *for* people. You have got to do things *with* people, and especially with the poor, because as you have all heard they are extremely sensitive.

Therefore, if you do not do anything else, I would suggest the single most important thing you might do is establish throughout the country what I would call listening posts, places, areas, ramshackle houses, even rural houses scattered all over Canada in strategic places where doctors and other experts interested in poverty may come and consult with the people on a continuous basis, say, for six months or a whole year. Make it so that people do not have to come to Senate hearings; it is too difficult for many. These experts could live, work and plan with these people for a half a year or a year before anything is done.

The Chairman: Doctor, if we did that, and it is admirable, we could only do it for a very small portion of the population, so that the 99 per cent of the population whom we could not reach in that way we would have to reach in some other way. This is the way we attempt to reach them and bring them within the fold, by letting them read the proceedings. They understand this pretty well, so there is really no substitute for airing a problem if you want to reach a broad area.

Dr. Cappon: Unfortunately, senator, people in general do not read and the poor do not read at all. So, reading is not really much good. You have to live with them and talk to them. There is no other way.

The Chairman: It is so much more difficult to do it the way you suggest, doctor. You say that the poor do not read. Perhaps they do not read books, but they listen to the radio and they watch television, and messages get across in this fashion today. Radio may very well report much of what you people have said today.

Dr. Cappon: What about the feedback from them?

The Chairman: When you talk about feedback. This did not start last year. This started many, many years ago. Why have you not been able to get your message across: service is free of charge to anyone who is ill; we will come and look after you. You are quite right, we are not getting across to people and you are in a better position to get across than we are.

Dr. Cappon: In the past the poor were always with us. They expected to remain poor and were not a problem, but now with rising expectation and with the little power they are getting, they are a threat, so something has to be done now that was not necessary before. Simply more royal commissions or Senate committees is not really sufficient for them to get the feeling that they are working with you, and their suggestions are delivering up some of the answers to these problems. The job cannot be done in any other way.

The Chairman: If beneficial results come to the poor from royal commissions or Senate hearings, there will be a participation, and an acceptance that was not there before. And that is the hope.

Senator Inman: Are there any free psychiatric clinics for the poor? Is there any place they can go where they can get assistance free?

Dr. Cappon: Most of the mental health clinics are free for everyone. They must not be this free for the poor because then you discriminate. They have got to be just free.

The Chairman: They are even more free than most other clinics?

Senator Inman: Are they? We have not got one and I just wondered.

The Chairman: You need one in Prince Edward Island?

Senator Inman: We have a mental health hospital, but it is not free.

The Chairman: I have been associated with hospitals for 35 to 40 years, first in Windsor by virtue of my position on metropolitan and other hospitals, and I know something about them. Since going to Toronto I have been associated with an important hospital, and I know something of the others. In all those years, your outpatient departments have never changed in my view, and I cannot understand that. The world has changed. Everything else has changed, but that has not. Why?

Dr. Bennett: Changed in what way?

The Chairman: Well, the world has changed in many, many ways, but not this service. I used to go down and see the people standing around waiting for service when I was mayor of the city. Now I go down as member of the board and look around and I see the same things going on. Nothing has changed.

Dr. Bennett: Waiting?

The Chairman: Waiting and waiting. A woman on relief said, "Look, Senator Croll, I have a child coming in from school. I have to go back and feed her. I have been waiting here two hours and I can't wait any longer." So she had to go back the next day. What can you expect from these people. Their problem is the greatest problem there is.

Dr. Bennett: Many of these people, Senator Croll, and I think we mentioned this, do not have what they call a family physician. Therefore, to them the provision of medical care is in one place only, and that is the out-patient department. As I think somebody pointed out earlier today, they go there not thinking of people in general but thinking of the poor, they tend to go there when an emergency arises. This is the time that they seek medical care. I agree with you, this has not changed across the ages.

The other thing which has compounded the sort of numbers which go to out-patients is the fact that the demand on the physician in his office has considerably increased. You ring up the doctor and say, "I would like an appointment to see you" and he says, "Well, I think I can give you one in three weeks' time." But they know that if they go down to the out-patients

clinic there is a pretty good chance of being seen that day.

The Chairman: What does it mean today to say "I have a doctor,"—you always advise someone to have a doctor. It doesn't mean anything to them at all. He is a doctor who has the record, but he doesn't come to the home. He just can't. He doesn't come unless it is a great emergency. I call my doctor, I am an old patient, I will get an appointment a little quicker than you will. That is the only advantage. I will call up and say, "I want to see you, doctor," and he will reply, "Well, if it is really something I will see you right away." But if you call up you will wait three weeks to be seen. That is the only advantage there is to the family physician, today.

Dr. Bennett: I was not thinking so much of calling up. I was thinking of the point of view that the individual in many instances prefers to go to the out-patient department of a hospital by choice rather than by necessity. This has been my experience, but many people will go there because they know that there will always be someone available in the hospital who will eventually see them.

Dr. Geekie: Particularly our Central European immigrants. They are accustomed to this. This is what they do.

The Chairman: You may be right on that.

Dr. Cappon: I think three things have changed in the out-patient department. First of all, the social composition of the out-patient has changed. It used to be that many more of the poor spent all day waiting, not for emergency treatment but for the equivalent of general practice. Nowadays many more people who are not poor, of the category I mentioned of between \$6,000 and \$10,000, go to the out-patient department because they cannot easily find family physicians or even afford them. so the composition has changed.

The nature of the complaint has changed from more chronic to more acute. Another thing has changed, and that is the inhumanity or lack of humanization has increased. Even general care is not as good in some ways as it used to be before the numbers became overwhelming. Nowadays attempted suicides who come to the out-patients department are treated as an emergency and are put out again to try suicide again. There are often no beds to admit acute emergencies. People are shuffled around, whereas in the older days, if that is what you are thinking about, most of those

people were admitted because there were more beds and more facilities.

Now, I think we have brought out the reason that there has not been enough change. It is that the medical institution has been in-looking, self-satisfied that it was doing a job, but technology has grown around the citadel, so those other things that you would like to see changed have not changed.

The Chairman: Doctor, with all the emphasis that you have had here today on research and expenditures, one of you said that the quality is not as good as it was.

Dr. Geekie: I think one thing should be made very clear, sir. The emergency out-patient's departments were inadequate some years ago, and if you are saying that they are still inadequate, we would agree with you.

The Chairman: I did not say that. I said they had not changed, and that totally the picture was not the very best.

Dr. Geekie: The numbers have increased.

The Chairman: I know that.

Dr. Geekie: The other thing that we would like to make very clear, and I think this is extremely important, is that there has really been very little research done relative to the system of providing care. There has been all kinds of money spent on basic medical research and clinical research but really very little has been done to evolve a better system of delivering the actual care itself. I think this is the area you are going to see the most activity in, or a great increase in activity in the next five or ten years.

As I pointed out to you before, if we do not leave any other message, the provision of medicare insurance is not going to solve the problem as a provision of health care to the poor of this country. It will not solve it. In fact, this is the group that we started out first to try to help, and I suggest to you that we have not really provided them with a helluva lot of help.

The last thing I would like to point out in connection with the out-patient and emergency departments is that the association intends to initiate a study in the very near future to look in considerable depth at the emergency departments or out-patient departments of hospitals.

Senator Inman: What do the doctors think of having more general practitioners?

The Chairman: Earlier they said they were in favour of it, senator.

Dr. Bennett: We are, and we are increasing the availability of family practice units. Many of the graduates are being exposed to family practice, because, as you know, when you go through medical school you very rarely as a medical student come into contact with a family practitioner. You are with people who are in the teaching environment and who are not necessarily family practitioners. More and more medical schools are having family practice units where the practice of family medicine is carried on by family practitioners on an instructional basis within the academic environment. This is increasing in the institutions both in Canada and in United States.

I think it is fair to say that indications are—and I think this can be borne out by the College of Family Practice—that the swing to family practice is increasing, and more people are becoming interested in primary contact care.

Senator Inman: My grand parents' doctor, who was also my father's doctor, delivered me, and when anyone was sick and I sent for the doctor, the minute

he came in I felt that everything was going to be all right.

Dr. Cappon: We have determined that one of the great drawbacks to doctors becoming family practitioners—and we did not put this on the record—is the question of medical student selection. When you have got to make 80 to 85 per cent to get into Ontario medical schools, for instance, you have to be an introverted bookworm who is not much good in general practice, and they want you to have degrees and laboratory and medical facilities, but nothing to do with human beings. It is only when the selection process changes that you have the kind of persons who will be interested in people.

The Chairman: Doctor, may I on behalf of the committee suggest that you be our delegate to change that process, I felt that there was a great deal of room for change.

Let me on behalf of the committee say that this was a thoughtful brief. It took a lot of work, but the best part about it was the fact that you let us share with you some of your knowledge and some of your experience. You have given us some information and some idea of your problem, I am sure you realize the extent of our problem. On behalf of the committee, I thank you.

The committee adjourned.

APPENDIX "A"

Pointe St. Charles Community Clinic Brief to the Special Senate Committee on Poverty.

Mr. Chairman and members of the Special Senate Committee on Poverty, we have come as representatives of the Pointe St. Charles Community Clinic of Montreal.

Various members of our panel will speak on the following topics:

1. Health Care Delivery to an Urban Community
2. Education Services in the same Urban Community
3. Family Health Workers: a means of providing comprehensive care.
4. Family Planning in Pointe St. Charles.

Introduction

The Pointe St. Charles clinic was opened on July 2, 1968 by a group of medical students in order to provide a centre for comprehensive health services in a community where, in a population of 25,000 people, there were only two full times and one part-time doctors.

The reasons for establishing a clinic in this area were many, the more important being:

- a. to bolster medical services in the area.
- b. to provide a place in the community where patients would be assured of comprehensive care which would include diagnosis and therapy follow-ups, home visits and referral to Hospital specialized services, social agencies, dieticians and education counsellors.
- c. to eventually have citizens of the community take a major part in the decision making process of the clinic

The clinic now employs one full-time and one part-time doctor, two full-time public health nurses, one receptionist and the education director. Volunteer doctors, nurses and students staff evening clinics.

The average cost/patient taken over a three month period is \$7.40. The average time spent on the patient (excluding psychiatry) is 25 1/2 minutes. Drugs, when possible, are free.

The clinic, to the present, has been financed by private foundations, donations and a Federal Government Research grant. The charge per patient is \$.50.

One of our number from the community has defined poverty simply as a state where income is insufficient to meet basic needs. There certainly is no primary "poverty of spirit" or primary "poverty of motivation" in the Pointe. However there are those who are depressed, disenchanted and lacking in motivation due for the most part to recurrent refusal at hiring agencies and institutional delays in the "so-called" charitable organizations and remaining always and only at the receiving end of aid if it does arrive. Their ideas on the delivery of that aid are never heeded; in other words there is an appalling lack of feedback concerning goods delivered.

At the clinic, we have tried to avoid the charity label and the isolation of recipients from the health delivery system by incorporating citizens on the Board of Directors. This Board was organized late last year to include five community members, two students and two staff. The citizens are not presidents of monolithic enterprises—they are persons interested in the clinic and the philosophy behind community involvement. The functions of this Board include policy decisions in matters of finance, hiring, administration, discussions on community involvement in the clinic, and discussions of roles of personnel working in the clinic.

After two years in the community, the clinic personnel have found, as have others before, that medical care to the average working man is a luxury because of:

- a. time taken to travel to Out-Patient Departments in distant hospitals.
- b. time taken waiting in O.P.D.'s.
- c. cost of drugs and services.
- d. food, shelter and clothing for his family are higher in priority.

One of the solutions to this problem of lack of health care facilities for the urban disadvantaged has been discussed for a number of years. This is the establishment of community comprehensive care clinics whose medical staff would have admitting privileges in regional hospitals. These clinics should be, if not in the same building, at least in close proximity to social agencies, dietetic counsellors, etc. Much co-operation between municipal and provincial governments is needed in these ventures—co-operation which

is in our experience, sorely lacking. The Federal Government is interested in the Pointe St. Charles project from a research point of view, and hopefully will continue to support us.

Statistics

Taken from the 1968 study (Sixty Area Study) by the Montreal Council of Social Agencies, Pointe St. Charles is area thirty.

1) Official language.

language	total %	males %	females %
French	30.1	26.2	34.2
English	33.2	32.4	33.9
Bilingual	34.8	39.0	29.6
Other	1.0	1.5	2.3

2) Mother language

language	males %	females %
French	55.4	55.2
English	33.1	34.8
Italian	5.3	4.8
Ukrainian	2.6	2.2
Polish	2.2	1.8
Other	1.4	1.2

3) Religious Affiliations

RC	80.2	79.9
Anglican	8.6	9.1
United	3.7	4.0
Presbyterian	2.6	2.8
Ukrainian	2.0	1.8
Other	2.9	2.4

4) Employment and Unemployment

		males	females
Total	100%	100%	100%
Labour force	52.6%	76.5%	28.7%
With job	50.1%	72.2%	28.0%
Looking for work	2.5%	4.3%	0.7%

no statistics for unemployed and not looking for work.

5) Education at present.

		University
preschool	1.2%	
Grades 1 - 4	50.0	1 - 2 0.3
5	32.6	3 - 4 0.2
High School		degrees 0.1
1 - 2	10.6	
3 - 4	4.2	
5	0.8	

6) Population Changes.

	1951	1956	1961
males + females	27,044	25,464	25,508

APPENDIX "B"

*C.M.A. Brief
to the Special Senate Committee
on Poverty*

Mr. Chairman and members of the Special Senate Committee on Poverty:

The Canadian Medical Association, representing over 21,000 physicians and surgeons of Canada, is pleased to have the opportunity of presenting its views in this important field to your Committee. This Brief will deal in the main with matters relevant to the delivery of health care to the "disadvantaged" in Canada.

Background

Physicians, economists and social reformers have long been aware of the intimate association between poverty and poor health, and of the major role played in ill health by economic factors. At the beginning of the 18th Century, Bernadine Ramazzini stressed the need to examine the relationship between the health of a populace and its environmental conditions. In the late 18th Century, Johann Peter Frank described the misery of the people as "The Mother of Diseases", adding that considerable improvement in health could be obtained by raising living standards, providing good housing, nutrition and education. In the early 19th Century, Villevivré showed that not only were mortality rates linked to living conditions of different social strata, but that poverty was associated with higher rates of disease and health. In the early 20th Century, Devine stated: "Ill health is perhaps the most constant of the attendants of poverty", and Biggs wrote: "Disease is largely a removable evil. It continues to afflict humanity, not only because of incomplete knowledge of its causes and lack of individual and public hygiene, but also because it is extensively fostered by harsh economic and industrial conditions and by wretched housing in congested communities. These conditions and consequently the diseases which spring from them can be removed by better social organization. No duty of society, acting through its governmental agencies, is paramount to this obligation to attack the removable causes of disease".

In England during the 19th Century, both Seebohm Rowntree and Charles Booth attempted to define poverty and in so doing recognized that there are no hard and fast rules and that its interpretation was relative to both time and place. Townsend and Fuchs in this century have also found difficulty in establishing the true measurement of Poverty.

The precise relationship between ill health and poverty presents a problem. Is the inter-relationship such that poverty brings about ill-health or is the converse true? Often overlooked is the handicap of being born into poverty and because of the continuance of environmental factors, the problem of poverty self-perpetuation. Evidence is available to show that the stress of poverty generates a large volume of personal disorganization shown by high rate of school drop-outs, emotional and psychiatric problems, abuse of drugs and alcohol.

Poor Health and Poverty

The 1950-51 Canadian Sickness Survey showed that working-age men in the low income groups were much sicker in terms of "disability days" than the comparable working-age men with higher incomes.

Low income families are the least able to care for chronic illness in the home environment and consequently there is great pressure from this income group to remove the chronically incapacitated to institutional care.

Studies of low income groups in Canada have shown the inter-relationship between poverty and disease. The native peoples, not only in the North but also in the Provinces, have a greater incidence of diseases of infancy, e.g., dysentery. In 1968 the City of Winnipeg Health Department reported that numerous cases of infant dysentery were an indication of poverty and a "poor environment". A 1968 survey in Vancouver of 300 multi-problem families on low or marginal incomes showed significant greater number of health defects as compared to families in the higher income bracket.

Immunisations among children are significantly lower among the low income families. A study in 1969 in Montreal showed that "stress syndromes" were present in an inverse ratio to income as well as being higher in the welfare group than in the self-supporting group. A Saskatchewan study in 1967 showed that symptomatology associated with illness, both physical and mental, was found to a greater degree among the lower social groups and that the men in these groups made greater use of medical services than their counterparts in the higher social groups. However, women in the lower groups, despite a higher illness-rate, did not take advantage of medical services as much as their higher-group counterparts.

The Economic Council of Canada in its 5th Annual Review suggested that 3.85 million people are living at

or below the poverty level. Families who expend more than 70 per cent of their total income on basic necessities (food, clothing, shelter) were considered to fall into the "poverty class". However, poverty does not only mean lack of money. It is a total state made up of many factors; economic, social, political, judicial, educational, informational, intellectual, moral, emotional and perceptual deprivation.

Many areas of poverty in Canada are of the collective type, affecting a group of people in a specific geographical area, e.g., the urban ghetto. The cause of these delineated areas is not uniform; ethnic and language barriers, changes in the economy of the areas, the downward trend found in the heart of many cities, slow economic development because of demographic and geographic factors can be contributing factors.

The environment of poverty is pictured as lack of good sanitation, poor housing, overpopulation, poor nutrition, poor education standards; these factors lead to the flourishing and spread of diseases.

In 1968 the infant mortality rate for all Canadians was 21 per 1,000 live births, 49 per 1,000 for Indians and 89 per 1,000 for Eskimos. In 1968 35 per cent of all Indian deaths and 56 per cent of all Eskimo deaths occurred in children 5 years old and under.

Tuberculosis is a disease found frequently among the poor and although there has been a spectacular drop in mortality from the disease, the morbidity rates have tended to flatten out with the highest incidence of the disease being in the lower socio-economic segments of the population.

Various studies have shown that the highest incidence of social mal-adjustment is found among the poor and that their emotional disturbance is often of a more serious nature than in the non-poor.

Ill health and poverty are inter-twined in dental care and a large segment of the Canadian poor receives either no dental care or care only at the time of a dental emergency. Orthodontics is almost unknown to the poor and in some instances could aggravate the individuals status, e.g., psychological factors, unemployment because of appearance, etc.

Lack of education among the poor can also predispose towards accidents and it has been shown for example, from Indian health statistics, that the accident mortality rate for Indians is 4 times the national rate.

The association between ill health and poverty is pointed up in figures indicating dependency. In March

1969 in Ontario, 30 per cent of all General Welfare recipients were granted aid because of major health problems as compared with 43 per cent granted assistance because of unemployment.

The cycle of poverty-ill health is often perpetuated by the loss of wage earning capability because of ill health by the main wage earner of the family. This loss leads to a change in a downward progression of the family's socio-economic environment and so the cycle is maintained. Where an individual or family unit is already marginal economically, ill health is often sufficient to depress them even further and interfere with education processes which is one of the main avenues of escape from poverty.

Problems

Perceptual deprivation contributes very largely to the inability of the poor to actively seek out methods of improvement in their status, and perpetuates the inertia and apathy.

In some of the poor, there is an absence of the innate drive, possessed by many of the "non-poor", to "break into the system" and the so-called "instinct of self-preservation" is either absent or so depressed that the impoverished remain paralysed in their physical, mental and ill health environments.

For some of the poor, attempts to break out are rebuffed, often unintentionally and because of the lack of tenacity and perseverance the will to make further attempts is destroyed. This is when helpless despair takes over and ill health allowed to increase to one of two outcomes. Either the health picture reaches "emergency status" and medical aid is sought at that point or the individual sinks into apathy where there is nothing to lose except life itself and death may come as a welcome relief.

In addition to the lack of drive on the part of the individual there are other barriers which lie between the poor and health care. These can be summarized into two groups:

- (i) The Education/Information Barrier
- (ii) Mechanical Barriers

The Education/Information Barrier

No matter how large the array of services, they cannot be said to be truly available if those who should use them the most do not know of their availability. It is going to be difficult to persuade the poor, who do not use health care facilities because of this barrier, to take advantage of the facilities offered;

it may be necessary to actively seek out these people and make them aware of what is available.

In addition to the lack of knowledge about services, the poor may also be unaware of the many basic underlying factors contributing to disease, e.g., poor environmental factors such as lack of sanitation, poor water supplies, poor personal hygiene, poor housing.

Mechanical Barriers

Even when properly informed and contacted, the poor may still be unable to take full advantage of available health care. The site of the services, transportation problems, type and periodicity of service, may all preclude their full utilization.

When the original thinking behind the formation of hospitals many centuries ago is considered, it is an anachronism that to-day one can find people, sadly lacking in health care, within the shadows of the walls of some of our largest hospitals.

The rural poor may not have any service to turn to for assistance. They are often geographically removed from sources of health care and economically may be unable to travel to centres where care is available. They live in areas that are unattractive to the providers of health care because of the poor economic and cultural environment.

Assuming these difficulties can be overcome, the potential recipient of health care can find himself lying a poor second to the functioning of the system with the end result that he may be reluctant to use the facilities in future. Geiger in a 1966 address to the American Public Health Association said "These barriers are real. Most of all, 'care' does not truly intervene, either into the health of the poor or into the poverty syndrome itself".

Delivery of Health Care—General

In recent years many aspects of health care has undergone fiscal changes, i.e., prepaid insurance schemes have replaced the traditional methods of direct payment for health services rendered.

It has also been traditional for the medical profession to provide health care for the underprivileged, who did not have the ability to pay, at no cost to the recipient and without a "means test".

Where welfare agencies provided recompense for health care for the poor, the tendency has been to reimburse the doctor, using a schedule of benefits much lower than that applicable to the "non-poor".

This does not imply that the poor received inferior health care for this reason, but it did little to obliterate the stigma of charity or to de-emphasize the gap between the "have's" and the "have-not's".

Under the provision of the Federal Medical Care Act of 1966, programmes of health care have been introduced by 7 provinces. In British Columbia enrolment is voluntary; in Ontario enrolment is partly voluntary and partly compulsory and in Alberta, Saskatchewan, Manitoba, Nova Scotia and Newfoundland participation is compulsory.

Some of the stigma of "charity" has been removed by the introduction of the Federal-Provincial cost sharing schemes such as the Canada Assistance Plan and the Medical Care programme.

Canada Assistance Plan

Under this Plan, enacted in 1966, the Federal Government undertook to pay 50 per cent of the cost incurred by provinces and municipalities in providing health care to the indigent.

Medical Care Insurance

Enacted in 1966 and made effective July 1, 1968 this plan sets out to ensure that all Canadians, regardless of financial status have access to medical care. The provincial plans must meet the following criteria:—

- (i) be operated on a non-profit basis by a public authority;
- (ii) make available all medically necessary services rendered by medical practitioners as insured services on uniform terms and conditions to all residents of a province;
- (iii) cover not fewer than 90 per cent of the total number of insurable residents of the province during first year of operation, with a commitment that coverage must rise to 95 per cent;
- (iv) portability.

Two provinces, Newfoundland and Nova Scotia, finance the provincial part of their plans from general revenue and therefore there is no direct cost to low income families. In Ontario, Alberta and British Columbia subsidisation of premiums is available to those with little or no taxable income.

Despite medical care insurance, many people in the poverty group use institutional outpatient emergency departments instead of using a family physician, assuming that they even have one. Thus they run the risk of impersonalized health care, as stated earlier.

Delivery of Health Care—Indians & Eskimos

The Medical Services Branch of the Department of National Health and Welfare makes available medical and public health services to registered Indians and Eskimos who are unable to provide for themselves and who are not included in a provincial scheme.

The health picture of these groups on marginal or submarginal incomes is shown in the morbidity and mortality figures mentioned earlier in this presentation.

An interesting comparison is one between on-reserve and off-reserve Indians. Among the latter and in the younger age groups, mortality is much lower than their on-reserve counterparts in spite of the fact that the Indians who have left the reserves live in urban environments and on the average have a much lower standard of living than their non-Indian fellow-citizens.

The Department of National Health and Welfare has indicated problems in providing health care which are peculiar to this segment of the Canadian population and has selected 3 problems as of major importance. These are:

- 1) *Staff recruitment problems*—i.e. low pay scales, lack of trained personnel.
- 2) *Location of treatment centres*—low population densities, transportation and communication problems.
- 3) *Separation of facilities* for Indian and Eskimo patients from those provided for others, i.e., the provision of specialized services, low population densities and shortage of expertise makes it difficult to provide specialized health care.

Several Canadian Universities are providing health care for disadvantaged Indians and Eskimos in the North. Training programmes are currently providing native personnel to work in the delivery of health care systems to their own people.

Delivery of Health Care—Urban Disadvantaged

Several authorities have pointed out that the people living in the central core of most Canadian metropolitan areas suffer from inadequate health services. It would appear that the implementation of universal medical care insurance has not entirely improved the lot of the urban underprivileged.

Institutionalized health care, particularly for the urban poor, has resulted in a pattern of services

requiring children and their parents to attend separate facilities at different hours under differing standards of eligibility. The fragmentation of these services has reflected and supported the fragmentation of family life already present among the poor. Social services are frequently set apart from preventative and therapeutic medical services and both may be separate from psychiatric services. Mental health services are insufficient to meet the demands made on them and are very often non-existent for the poor.

Recommendations

The success of any programme designed to provide comprehensive medical care for a population depends on both the programme and the type of population to be served.

Programmes must be designed to close the gap between health supply and demand and if the health services are to operate for the good of everyone, all factors involved in the delivery of health care must be weighed accordingly.

(i) Financial

Where low incomes contribute to the barrier between provider and consumer, health care programmes must minimize the financial considerations.

(ii) Availability

The delivery of health care must be available in geographic and temporal terms; it must be in attractive surroundings; it must preserve the dignity of the individual; it must provide good quality care; it must be integrated with all community health services; it must be comprehensive and should be family-orientated.

(iii) Educational

A greater educational approach must be made to the poor. They must be made aware of programmes of health supervision; well baby clinics, etc.; of personal hygiene and of good sanitation; of the advantages of early diagnosis and treatment.

It may be necessary to actively seek out the disadvantaged and enlighten them as to the availability of services. The health-education programme should be instituted in the schools at all levels.

(iv) Environmental

The areas of poverty must undergo environmental changes. These include the provision of better

housing, the reduction of pollution, the institution of hygiene and sanitation programmes, better nutrition, fluoridation of water supplies, better job opportunities, good transportation, provision of day care centres, schools, clinics and recreational amenities.

(v) *Rehabilitation*

Both physical and mental rehabilitation are important. Education in both these fields is particularly important in the case of the poor whose educational standards may prevent them from recognizing their needs and from appreciating their treatment.

In addition the rehabilitative process should also take into account the environment. To treat symptoms and then to send the patients back, unchanged in knowledge, attitude or behaviour, to the same physical and social environment—also unchanged—that overwhelmingly helped to produce their illnesses and will do so again, is to provide antibiotics for cholera and then send the patient to drink once again from the Broad Street pump.

(vi) *Preventive Medical Services*

It is becoming increasingly apparent that these services, formerly the responsibility of local health departments, must now be provided on a much wider basis, utilizing the departments, hospitals and allied health services agencies. In addition to the traditional main concerns such as control of communicable diseases, morbidity, mortality, counselling, there are schemes for the early detection of children with genetic defects, hearing, seeing and speech defects. Problems of to-day include drug abuse, alcoholism, the mentally ill—all these need early recognition and active treatment in order to provide a firm basis for the rehabilitative process.

Role of the Canadian Medical Association

The C.M.A., through the Council on Community Health Care, has initiated studies into the delivery of health care to the Canadian disadvantaged in isolated and urban environments.

The Committee looking into the medically disadvantaged in isolated areas has met with officials of the Department of National Health and Welfare to discuss the problems and has acted as the Association's Advisory Committee to the Minister of National Health and Welfare.

The Committee is agreed that one of the major areas of inefficiency in the present system of the delivery of health care is the carrying out by highly trained individuals of procedures that could be done equally well by others with lesser training. Some current studies are being done on transfer of function but the determination of the proper role of each member of the health care team is far from being accurately established and there is a great need for further research in this matter.

The Council has recommended the following:

(i) That the C.M.A. undertake a detailed study of the potential use, qualifications, training, licensing, controls and formal recognition of the physician-associate as a means of extending and improving the current health care system with particular reference to medically disadvantaged areas—isolated.

(ii) That the C.M.A. recommend that the Divisional Medically-Disadvantaged sub-committees explore, with the Regional Director of Medical Services, D.N.H. & W., the feasibility of setting up a roster of "travelling doctors" to serve isolated areas.

(iii) That orientation courses be set up for physicians proposing to practice in Northern and isolated areas. (Committee members currently practising in these areas are willing to participate in the provision of this training).

It must be pointed out that in addition to these areas of proposed study health care to the medically disadvantaged through isolation is currently being provided by some medical teaching units and by some hospitals through schemes whereby personnel from these units undertake "tours of duty" in the isolated areas. There are also individual physicians who donate their time and skills on a voluntary basis to helping the residents of isolated areas.

The Committee looking into medically disadvantaged—urban—has currently under study the various methods of delivery of health care to the residents of these areas.

The following are among the subjects under study:—

(i) possible solutions to the problems of recruitment of doctors for the areas involved, e.g., group practice clinics;

(ii) provision of allied health and social workers;

(iii) the role of the urban hospital with particular emphasis on the type of facilities offered and the availability of services;

(iv) the role of the medical student street-front clinics as currently instituted in several Canadian cities and the future of those clinics.

The C.M.A., through the Council on the Provision of Health Services, initiated the setting up of a co-ordinating committee to look into the delivery of health care to all Canadians. This committee, under the chairmanship of a member of the Council, included representatives from the Royal College of Physicians and Surgeons, the College of Family Physicians, the Canadian Nurses Association, the Association of Canadian Medical Colleges and the Federation of Provincial Medical Licensing Authorities of Canada.

This Committee has made recommendations, regarding the setting up of pilot projects, e.g., training,

utilization and acceptance of allied health personnel; types of practice and relationship to quality of health care, etc.

It would seem fitting to close this presentation with a statement by Prime Minister Mackenzie King in 1948. Speaking on the establishment of National Health Grants he said; "The preservation in health and strength of its population is surely the best of all guarantees of a nation's power, of its progress and of its prosperity. Our greatest national asset is the health and well being of our people".

R.M. Matthews, M.D.,
President,
Canadian Medical Association.

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Department of National Health and Welfare.

APPENDIX "C"

Brief

Special Senate Committee

on

Poverty

Canadian Woman's Christian Temperance Union

Submitted by:

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With the assistance of:

Mrs. D. J. McIntosh
Miss Grace Fulton

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Summary

In this brief, we have endeavoured to show that the following are contributing factors to poverty in Canada:

1. Excessive taxation.
2. The high cost of the damage caused by alcohol, narcotic drugs and cigarette smoking.
3. Unwise expenditures by government.
4. The high cost of building and buying a house. Excessive interest rates. Inadequate housing.
5. Inefficient law courts.
6. Loss of revenue.
7. Misleading propaganda.
8. Mental illness.
9. Defective Births.
10. Emotionally disturbed children.

Recommendations

1. That Federal, Provincial and Municipal taxes be kept to a minimum.
2. That inadequate pensions be increased to keep pace with inflation.
3. That the Food and Drug Dept. be requested to revise the classification of alcohol, to reveal its true nature.
4. That the Canadian Medical Association be requested to commence a campaign for the prevention of acute and chronic alcoholism similar to the cigarette smoking campaign.
5. That business and industry be encouraged to promote alcoholism prevention programmes.
6. That the Canadian Government keep pace with the latest research done in all parts of the world, with respect to the effect of alcohol on the human body.
7. Consideration be given for a rehabilitation programme for alcoholics throughout Canada, with a works programme to help finance this project.
8. That the Special Senate Committee on Poverty read "The Amazing Story of Repeal" by Fletcher Dobyns, *Signal Press*, 1965.
9. That the Canadian Government institute an educational programme to educate the public about the physiological and psychological and sociological effects of alcohol.

10. That a statement showing the total cost of alcohol damage paid by the taxpayer be compiled and widely circulated.

11. That a closer check be kept on government expenditures.

12. That no financial assistance in any way be given by the government to breweries, wineries or distilleries.

13. That lengthy consideration be given to find ways to reduce the cost of housing. That action be taken to reduce interest rates.

14. That a study of law courts be made to reduce unnecessarily lengthy trials and to ensure that justice is done.

15. That a study of Liquor Control Board reports throughout Canada be made to determine whether or not there is loss of revenue for licence fees with respect to brewers, vintners or distillers.

16. That liquor advertising be limited or preferably eliminated.

17. That research be find the causes of mental illness be accelerated.

18. That research be done to determine whether or not alcohol affects the unborn child.

19. That consideration be given to "the need for great attention to treatment of the children in the alcoholic's family".

20. That the Health & Welfare Department be requested to commence a positive campaign to promote physical, mental and emotional well being.

21. That every Canadian child be encouraged to attend Trade, Technical or High Schools. Those past school age, be encouraged to continue adult education.

PREAMBLE

The National Woman's Christian Temperance Union is grateful for the opportunity to express its concern regarding poverty in Canada. The main purpose of our organization is the protection of the home and the individual. Our motto is "For God, and Home and Every Land." Anything which hinders the wholesome and healthful development of the child and adult in the home, is of primary importance.

There is a crying need to be concerned about the underprivileged, the handicapped, the unemployed, and the unemployable, in Canada. In the world picture, what affects one, affects all. Genuine concern demands action.

From "THE UNION SIGNAL" dated September 14th, 1957, Sydney J. Harris in a recent column said: "We have no right to speak glowingly about our 'high standard of living' until we are able to spend our money as wisely as we are able to make it; the ultimate test of a civilization is not its power or its riches, but its sense of values; every flourishing empire of the past collapsed because it began paying more attention to the incidentals than to the essentials of a good life."

Page 70 of the United Church booklet published in 1969, "POVERTY", lists the following expenditures:

In an average year, Canadians spend:
 \$ 1 billion on alcohol
 \$400 million at the race tracks
 \$200 million on candy

1. **POVERTY**—The following are further interesting facts taken from "POVERTY": "The Economic Council of Canada reported that 1/5 of Canadian families in 1965 had an average income per family of \$2,263." "The Report considered those victimized by poverty to be single persons with incomes of less than \$1,000 a year, families of 2 with less than \$2,500, and families of 3, 4 and 5 or more with incomes of less than \$3,000 and \$4,000 respectively."

"Roughly at least 1 Canadian in every 5 suffers from poverty." "It can be a crime to be poor in Canada. The accusation? Vagrancy—being without visible means of support or a shelter. A vagrant is sent to jail."

2. **POVERTY OF THE WORLD**—Again quoting from the booklet "POVERTY": "Economists tell us that the greater part of aid given by rich nations over the last 15 years has been wiped out by changes in the terms of trade and in losses suffered by developing countries when prices of their exports fell and imports from industrialized nations rose in value. For example—Canada buys sugar at less than it costs the Jamaicans to make it, thereby undercutting the real value of Canadian aid to Jamaica. Before we take any credit for giving aid to under-developed countries, we need to know the extent to which our affluent style of living is being financed at the expense of poor countries. In 1955, Brazil exported 2.11 tons of cotton to pay for a 39 H.P. Massey-Ferguson tractor. In 1962, for the same tractor, 4.79 tons of cotton were required." "One African leader has said, 'When the whites have turned to loving, the tragedy is that we shall have turned to hating'" "Prime Minister Mrs. Indira Gandhi said, 'The question before advanced countries is not whether or not they can afford to help the developing nations, but whether they can afford not to do so.'"

"Failure to assist poor countries to bridge the gap separating them from rich nations is an 'invitation to violence', stated United Nations Secretary-General, U Thant.

3. **TAXES**—"The Canadian Economic Foundation today said taxes, not wages, are the significant factor in the rapid increase in prices across Canada No matter how hard investors, executives and employees have worked together to reduce production costs, rising taxes have nullified all their efforts in recent years." "*Taxes Get Blame for Rising Prices*" Sun, February 28, 1967.

"Everything that the average fully-employed Canadian earned since January 1st will have gone to pay his share of 1968's federal, provincial and municipal taxes." This was stated in the May 4th, 1968 issue of the "Vancouver Sun", under the editorial heading "*Dismay Day*".

"*YOUR DOLLAR IS WORTH 64 CENTS*"—so states Robert McKeown, in Weekend Magazine, of the Sunday Sun, December 14, 1968, and continues, "Wages go up, prices go up. Costs go up. The more you make the less you seem able to afford. In terms of the spending power of a dollar of 1949, the present day dollar is worth only 64 cents."

The little man has to bear the continual increase in taxes, the hidden taxes, and the all too evident tolls on his pocket-book. The demand for increased wages does not benefit the man or woman on a settled income, yet all are expected to bear the consequent increase in taxes.

RECOMMENDATIONS

1. That Federal, Provincial and Municipal taxes be kept to a minimum.
2. That inadequate pensions be increased to keep pace with inflation.
4. **FUNDED DEBTS**—British Columbia's per capita funded debt is the highest in Canada. (Funded debts are long-term obligations (15, 20 or 25 years).

British Columbia	\$785.00
Manitoba	745.00
New Brunswick	700.00
Saskatchewan	665.00
Quebec	645.00
Ontario	610.00
Nova Scotia	495.00

Cont'd

Newfoundland	385.00
P.E.I.	380.00
Alberta	33.00

(Chet Bell, "Booming B.C.'s Funded Debt Estimated at \$1.41 Billion" Sun, November 19, 1966.)

If Alberta, with a low per capita debt of \$33.00, can manage, is it not possible for high per capita debt provinces to considerably reduce their funded debts and thus decrease the burden of taxation?

5. *DRUG COSTS*—"Also, according to a Yale study, we learn that at least:

- 30% of divorces
- 25% of all insanity
- 37% of all poverty
- 47% of all child misery
- 50% of all Crimes, and
- 50% of holiday traffic deaths

are caused by the use of alcohol." Listen, May, 1967 by John Walker, "I Dare you!"

In a recent financial statement distributed by the Nova Scotia Federation on Alcohol Problems, it was estimated that the cost of the alcohol tax dollar was \$7.36. The estimate included costs of alcohol associated traffic accidents, crime, insanity, incarceration of prisoners, poverty, absenteeism, alcohol treatment, alcoholism programmes, etc. "*A Study in Stupidity: Spend \$7.36 to get \$1.00*"

James H. Gray, writing for an Edmonton paper, and quoted in the Victoria Daily Times, May 8th, 1968, states "Over the past decade Royal Commissions have gone probing into most of the darkest nooks and deepest crannies of prairie life. There is one glaring exception. Nobody has paid the slightest attention to the blackest patch of all, which alcohol is causing. The cost socially and financially of misuse of alcohol is beyond computation." "*Counting the Costs of Prairie Alcoholism.*"

"In these modern days of economic stringency, Parliament should be required to direct its attention to this important issue and make the liquor traffic directly and specifically responsible for the discharge of its own financial obligations and no longer should it be permitted to shuffle out of them by placing the burden on the State. So states the Research Student Services, Britain, September 1966. "*Who Pays Liquor's Debts?*"

Listen Magazine, May 1967, points out that the "greatest toll exacted by the poverty makers is not

financial. It is human and spiritual, the appalling waste of human resources. Who can put a cost label on a man's genius, his self-respect, his health, his home, or perhaps his life, laid waste by beverage alcohol?" Ray, R.W. "Are Liquor Tax Dollars Profitable?"

Ray Hunt, General Manager of the B.C. Division of the Retail Merchants' Association of Canada, "in commenting on reports from Eastern Canada that shoplifters last year bilked Canadian retailers of about \$375 million worth of goods... said that the consumer and not the retailer is the final victim because losses become part of the cost of doing business, and must be added to merchandise markups."

Hunt further said, "B.C. merchants' losses to shoplifters would run close to the national average—nearly two per cent of gross sales—but that losses on the Lower Mainland would probably be fractionally higher than in the rest of B.C. This pattern, he added, would be partly attributable to the relatively higher drug-addict-shopliifter population in the larger centres than in the hinterlands. On the gross retail sales of \$2.5 billion in B.C. last year, shoplifters probably spirited about \$40 million worth of merchandise out of stores without paying." "*Shoplifters List Cost of Goods.*" Sun, April 4, 1968.

In the 1962 Index of Crime report, by the *Narcotic Educational Foundation of America*, is the statement, "Your taxes and mine are infinitely higher because of the narcotic and crime problems. The billions now being spent for larger police Departments, jails, courts, penitentiaries, etc. are only a small part of the total cost of these evils. There are increased insurance premiums, higher prices and lower earnings on investments, plus many other losses you 'absorb' to pay your share of crime's cost. There are also millions of dollars directly lost each year to criminals by their victims. Billions of dollars raised by taxing the better citizens are spent to 'educate' youth who later cost additional billions to incarcerate *because of our neglect in teaching moral values.*" The cost of crime in Canada is an estimated \$400,000,000.00—Sun, March 29, 1967.

An article in the "Vancouver Sun" June 19, 1969, with the heading "14,000 Deaths In Year Blamed on Cigarettes", by Jan MacDonald, stated "Cigarette smoking took the lives of almost 14,000 Canadians, and rang up a health bill of about \$400 million in 1966, Health Minister John Munro said. The following figures listed was a breakdown compiled by the department:

Lung cancer, \$56 million
 Coronary heart disease, \$201 million
 Chronic bronchitis, \$14 million
 Emphysema, \$7 million
 Other disabilities, \$96 million, and
 Fires caused by smoking, \$13.5 million

WAGE LOSS—"How often do the contents of the pay-packet find their way to the licensed premises, so contributing to the sorrow of mothers and children?"

Whether alcoholism causes, or is caused by slums, is beside the point; the two evils are indissolubly bound together and must be tackled together.

Alcoholism is a disruptive factor in our modern society, a destroyer alike of marriage, of the parent-child bond, and of the family unit. It is clearly a socio-economic scourge of the first magnitude." Alex G. Mearns, M.B.E., M.D., B.Sc., D.P.H., F.R.S.E. "What Does the Doctor Say About Temperance?" Church of Scotland.

TRAFFIC DEATHS—It is estimated that 50% of traffic deaths are attributable to alcohol. Over 5,000 traffic deaths occur annually in Canada.

J. R. Coghill of Waterloo, and president of the Canadian Federation of Insurance Agents' and Brokers' Associations, said, "The insurance business 'cannot control the highway slaughter—only governments can do that'. 'Control over the severity and frequency of accidents is the only way to reduce the loss portion of the premium dollar.' 'Average liability claim cost in 1968 was \$673, up from \$635 in 1967 and \$471 in 1964.'—Vancouver *Sun*, January 20, 1970. "Politicians Duck Responsibilities"

Again from the Vancouver *Sun* of September 1, 1967, the Automobile Insurance Industry states, "One classroom of high school students is wiped out every week because of car accidents. More young Canadians are killed in automobile accidents than by any other cause." "*The Dead Classroom*"

The cost of traffic deaths in B.C. was estimated at \$85,000,000.00 by M. L. A. Ray Perrault. *Province*, August 10, 1965. In the December 13, 1967, *Sun*, Byran Brabant estimated the cost of traffic accidents at \$74,000,000.00 in B.C.

WATER & ECOLOGY... "It takes 125 gallons of water to produce one gallon of neutral spirits used in the making of gin, rye, vodka and liquors. The water is consumed in the processes of cooking, distilling and cooling." says C. T. J. (Bill) Terry, Domestic Sales Manager and Vice-president of Potter Distilleries... "

"*Alcohol Uses 125 Gallons of Water*", *Sun*, October 21, 1967.

"Operations of the new Hiram Walker distillery in the Okanagan, B.C., have raised several questions in the area: how will the discharge of millions of gallons of heated water affect the ecology of the Okanagan Lake System" . . . up to five million gallons a day (are) to be discharged into Vernon Creek at temperatures up to 80 degrees. It is estimated that 7.2 million gallons of water a day will be diverted from Okanagan Lake, reports Jes Odam in "The Wealthy, Yet Depressed, Okanagan", *Sun*, September 27, 1969, pages 12, 13. "Dr. Allan McIntosh, President of Kelowna Medical Society, is another who is concerned . . . 'Maybe we are going to wake up in 50 years and find it has made a difference and then it is too late,' he said.

Has the operation of the distillers with respect to water had a detrimental effect elsewhere in Canada as regarding pollution and high consumption of water?

May we suggest that you look into this, as *pure* water is one of our greatest assets. What about the harm to fish and other water life through pollution on such lakes. Also there is the factor of water sports and summer camping on a possible polluted lake.

RECOMMENDATIONS

3. That the Food and Drug Dept. be requested to revise the classification of alcohol, to reveal its true nature.
4. That the Canadian Medical Association be requested to commence a campaign for the prevention of acute and chronic alcoholism similar to the cigarette smoking campaign.
5. That business and industry be encouraged to promote alcoholism prevention programmes.
6. That the Canadian Government keep pace with the latest research done in all parts of the world, with respect to the affect of alcohol on the human body.
7. Consideration be given for a rehabilitation programme for alcoholics throughout Canada, with a works programme to help finance this project.
8. That the Special Senate Committee on Poverty read "The Amazing Story of Repeal" by Fletcher Dobyns, *Signal Press*, 1965.

6. *GOVERNMENT'S RESPONSIBILITY*—"Suppose we know that the government could increase its revenue by victimizing another 100,000 of its citizens. It would concern the government's responsibility for securing its revenue at the expense of the health and welfare of its people. The problem concerns . . . the measure of our responsibility as children of God for anything in our society that maims and destroys bodies and souls." Dr. E. M. Howse, "Common Factors in Temperance Thinking".

"We must fight for a nation in which men and women no longer seek the false stimulation and the fake security, the humbug happiness and the counterfeit strength of liquor. To these ends we must devote our knowledge and our talents and our time. So long as men are lost to the cup of fury, our fight must continue."—Upton Sinclair, "The Cup of Fury".

RECOMMENDATIONS

9. That the Canadian Government institute an educational programme to educate the public about the physiological and psychological and sociological effects of alcohol.

10. That a statement showing the total cost of alcohol damage paid by the taxpayer be compiled and widely circulated.

7. *PREVENTION*—"in these young persons, must we forever wait until alcoholism has become an established disease, with all the manifestations we know so well—cirrhosis of the liver, cerebral edema, personality changes, and insanity; conflicts and heartaches among family and friends; and death and destruction on the highways—before we do anything about a disease which might have been prevented?" Edith Petrie Brown, M.D., President, American Medical Woman's Association. "*The Prevention of Alcoholism*". Journal of the American Medical Women's Association, December, 1961.

"The principle behind research in any field is to find the cause of problems so that they can be prevented; in short, to save money. Not to spend money to prevent alcoholism, is to waste further money.

8. *PROSPERITY DURING PROHIBITION*—In the January 1930 issue of the Ladies' Home Journal, Mr. Samuel Crowther in a feature article states under the heading of A GREAT ECONOMIC EXPERIMENT that "In 1919 there were around 18 million individual savings accounts to a total of 13 billion dollars. Last year (1929) there were more than 53 million accounts,

holding in them twenty-eight and a half billion dollars. Life insurance policy holders increased from more than 13 million in 1919 to more than 27 million in 1927. The stocks and bonds of the large corporations are now so widely distributed that probably as many people have them as have automobiles. This country in a very literal sense is coming to be owned by the mass of its citizenry." "Merchants in Gary, Indiana, where our largest steel mills are located, report that since Prohibition, working men are purchasing a much better grade of wearing apparel of all kinds, and that, as a general rule, payments are made at time of purchases, whereas formerly it was necessary in many cases to extend credit."

In the February 1930 issue of the Ladies' Home Journal, an article by Samuel Crowther entitled "WHERE PROHIBITION IS A SUCCESS" states, "It has saved \$15 billion from Drink for the Purchase of Better Living". He quotes in this same article what Alfred P. Sloan, Jr., the President of General Motors, said: "Having been intimately connected with industrial problems for many years, I am thoroughly convinced that Prohibition has increased our national efficiency, has added to the purchasing power of the people, and given us an advantage in our competition for foreign trade."

"In an investigation made of 3,000 saloon properties in New York City, it was found that new businesses were occupying all of them and the new concerns employed between three and a half to four and a half men as against two men each for the saloons." "With the rerouting of at least two-thirds of the money which formerly went for drink into the buying of useful goods, a higher level of general living has been established in this country." We have as a nation been infinitely more prosperous since Prohibition than ever before.

Fletcher Dobyns in his book "THE AMAZING STORY OF REPEAL" quotes Mr. Samuel G. Blythe, distinguished author and journalist, in an article in the Saturday Evening Post of July 9, 1927, in which he states that "A new and gigantic purchasing power has developed in this country since we have had prohibition that accounts for the prosperity of our railroads, our manufacturers, our trade in all directions. That, in a large measure, is a purchasing power derived from the diversion of former booze money into economic channels. It does not come from the very rich, nor from the very poor, although it has decreased the number of the very poor, as any student of economics knows. It comes from the great average American citizen and it comes in part because booze is no longer

an article of legal merchandise in this country... Hence, the individual, his family and general trade get the benefit of the wages and profits that formerly went to the non-productive saloon-keeper.

We wish to point out that prosperity prevailed in the U.S. because of the curtailment of the consumption of alcohol.

9. **GOVERNMENT WASTE**... "Canada grows more food than it can consume, sell abroad, or can afford to give away." *Time*, March 9, 1970. We question that latter statement. If we can help the hungry in Canada, India, China, South America and Africa, we are easing dire need at home and the famine situation abroad. Our government is suggesting that it pay farmers this year to omit the wheat season. *Time*, in the issue mentioned above, quotes Toronto *Globe & Mail*, "There is an inescapable immorality in paying farmers not to grow food when half the world is hungry and some of it is starving." Could that one hundred million dollars involved be better spent paying the farmers for their crops, using the surplus for those in need?

"Canada's bank guard has pulled the trigger on gross waste and misuse of taxpayers' money," so claims the *Sun* in an editorial of February 24, 1968. Among numerous instances of waste mentioned there, is the \$8 million in payments for work never done, questionable practices which include losses on re-sale of military equipment, over-payment by millions to contractors. "*The Auditors's Nightmare*"

A news item in the same paper, dated October 6, 1967, reports the C.B.C. spent \$400,000 to cover the Conservative leadership convention at that time, while the privately-owned CTV network did a better job with considerably less staff, at a cost of \$43,000 "C.B.C. Wastes Money"

More recently, the *Sun*, in its September 27, 1969 issue, stated that "The (Hiram Walker) distillery is expected to qualify for a \$5 million cash grant, plus accelerated capital cost allowances for tax purposes." "The Wealthy, Yet Depressed, Okanagan" pages 12, 13, feature article by Jes Odam.

According to the October 7, 1969 issue of the Vancouver *Sun*, Allan Fotheringham, columnist, said, "H.M.C.S. Bonaventure, Canada's only aircraft carrier, which cost \$6 million to build and was purchased by Canada for \$18 million in 1957, was refitted at a cost of \$13 million in 1967... only to be retired 12 months later. Highest bid for it so far is \$14 from the Board of Trade of Brandon, Man., 700 miles from the nearest ocean."

"In 1963, the original financial plan for Expo 67 estimated a deficit of \$47.5 million. This was revised six times with the latest last June, putting the deficit at \$210,665,000.00"—Vancouver *Sun*, February 20, 1968. "Expo Deficit Soars to \$210.6 million"

"The Canadian Government is to give a Canada Council grant, paid for by Canadian taxpayers, to a notorious separatist agitator, Francois Dorlot. Dorlot is not even a Canadian, but is a native of France, yet he is being given a Canada Council grant of \$4,500, plus all travel expenses, to return to his native Paris to study at the Sorbonne." Vancouver *Sun*, October 23, 1968. "Government Feeds Hand That Bites it".

RECOMMENDATIONS

11. That a closer check be kept on government expenditures.
12. That no financial assistance be given to breweries, wineries or distilleries.

10. **HOUSING**—"The average price of a home in Vancouver has risen by 80 per cent in only 10 years" according to figures from the Greater Vancouver Real Estate Board. The Vancouver and District Labour Council estimated costs as follows for a 1,200 square foot of bungalow on a 33 ft. lot on East Hastings:

18.2%	or	\$10,000	—cost of land
24.1%	or	\$13,253	—cost of materials
7 %	or	3,847	—cost of wages
		\$27,100	—cost of home
		\$27,839	—National Housing Mortgage at
			10% over 20 years
		\$54,939	—Total cost of home

We cannot or do not supply adequate shelter for our own poor, and this is one of the most basic needs of civilization. Indeed, many of our middle class families are able to provide proper housing for their families at a price they can afford to pay. Please refer to "Dream House Only a Dream". July 30, 1969. *Sun*.

RECOMMENDATION

13. That lengthy consideration be given to find ways to reduce the cost of housing. That action be taken to reduce interest rates.
11. **INEFFICIENT LAW COURTS**—"... England's courts have no backlog of untried cases as compared to American courts, which are years behind.

... The essence of Anglo-Saxon law is that a man is presumed innocent until proven guilty. But in U.S. courts, a man is presumed innocent long after he has been proven guilty a half-dozen times over, if he has enough money to try out every technicality and a smart lawyer. Here the guilty are treated as guilty." "A Lot of Law in 90 Minutes", by John Crosby, *Vancouver Sun*.

RECOMMENDATION

14. That a study of law courts be made to reduce unnecessarily lengthy trials and to ensure that justice is done.

12. **LOSS OF REVENUE**—The Statement of Profit and Loss of the B.C. Liquor Control Board, March 31, 1969, on page F.12, includes Licence fees paid by Brewers and distillers in the amount of \$165,394.00. Why is no licence fee paid by the Vintners of B.C.? What is the policy in other Provinces regarding licence fees for brewers distillers and wineries?

RECOMMENDATION

15. That a study of Liquor Control Board reports throughout Canada be made to determine whether or not there is loss of revenue for licence fees with respect to brewers, vintners or distillers.

13. MISLEADING PROPAGANDA

Liquor Propaganda—"The principles of their strategy were these: 'Never argue', use "Emotion-detonating phrases", achieve 'fixation by repetition'. In less technical terms, use language that would simultaneously state a lie, arouse a prejudice in its favour, blind the eyes and close the mind of the hearer of the truth and make reflection impossible; repeat that language incessantly until the lie is exposed or becomes stale; then invent a new one and repeat the process, always making sure that the truth never catches up with the lies; let the lie, the emotional poison and the tear gas strike the victim at the same instant and all take effect together." Fletcher Dobyns, "The Amazing Story of Repeal" pages 208, 209.

Mr. W. J. L. Hilton, Educational Secretary of the Alcohol Research and Education Council, said "...and we must limit or eliminate advertising of alcoholic beverages of all types."

"I have been told on good evidence that when Goebbels began his work in Germany, he sought

expert counsel from the men who had promoted this extraordinary under-cover campaign of propaganda against the 18th Amendment. Ahead of him they devised and exploited every technique for playing upon the greed and passion and prejudice, the ignorance and vanity and fear of the multitude, until as they gloatingly boasted, in three years they effected the most marked overturn in public sentiment in the history of the country." said Rev. Dr. Ernest Marshall Howse, "Our National Scandal", May 24, 1942.

RECOMMENDATION

16. That liquor advertising be limited or preferably eliminated.

14. **MENTAL ILLNESS**—From the *EVANGELICAL CHRISTIAN* of March 1967, we read that "More than half the total number of hospital beds in Canada are occupied by mentally-ill patients. The annual cost of this is over \$600,000,000.00. Forty-two percent of all patients attending Out-Patient Mental Health Clinics in Ontario are under 17 years of age.

In his annual report, the Chief Coroner of Metropolitan Toronto, stated that there were more suicides in 1965 than road deaths."

"ALCOHOL constitutes the country's greatest mental health problem." Dr. Karl Menninger, "Alcohol's Effect on the Brain." Alcohol Problem Association.

Dr. P. B. Rynard, M.P., was quoted in the *Vancouver Sun* of June 22, 1967, as saying "Canada's mentally ill are treated as second-class citizens under federal health legislation. 1.9 million Canadians suffer from mental disease and account for 25 million patient-days in mental hospitals."

Dr. Wm. C. Gibson, a University of B.C. professor, said "Canada is far behind the U.S. and Britain in mental illness research. For the size of the problem facing the country, the research picture is discouraging." "We are a second-class nation in this respect. Unless the Government spends more money on research, increased leisure will only bring more mental illness. The cost of mental illness to society is staggering, and the only way to reduce it is through research. We are now looking for preventive treatment to wipe out mental illness altogether." *Vancouver Sun*, May 31, 1966.

Dr. J. D. Griffith, general director of the Canadian Mental Health Association, claimed that "the average amount spent on caring for mental hospital patients is

only \$7.00 a day . . . whilst that for general hospital patients is \$30.00 a day." He also stated that "other important steps required include recognition of emotional disorders before children go to school, combating mental health problems in underprivileged families, more community and family care facilities." Also "older chronic patients who are transferred to nursing homes where there is no expert psychiatric help are heavily tranquilized and become bed patients with a short life expectancy." Vancouver *Sun*, May 31, 1966.

Reader's Digest of February 1966, in an advertisement, said, "There are more than 600,000 mentally retarded in Canada. In fact, one child in every thirty is born mentally retarded."

Health Minister Ralph Loffmark said "... at River-view Mental Institution at Essondale 500 out of 800 patients have suffered acute alcoholism." "Pot Bad, Booze Worse"—Loffmark. Victoria *Daily Times*, June 11, 1969.

RECOMMENDATION

17. That research to find the causes of mental illness be accelerated.

15. DEFECTIVE BIRTHS

UNBORN CHILD—Dr. C. W. Salesby, of Great Britain, an eminent eugenicist, said, "The movement against alcohol is more than a question of reducing drunkenness, preventing accidents, increasing efficiency; it is a question of preserving life from generation to generation." "*Temperance and the Changing Liquor Situation*," by Deets Pickett, Methodist Book Concern, 1934.

Women are warned, "Be especially careful of any drug-taking during pregnancy. The views on drug-taking by pregnant women have changed drastically since the thalidomide disaster of a few years ago." "*Dangerous Drugs You May be Taking*." Family Circle, March, 1967.

"The birth of defective children must be recognized as North America's greatest public health problem," Dr. W. H. Tooley, Director of Newborn services in the Cardiovascular Research Institute, at the University of California Medical Centre in San Francisco, said Monday. "*Defectives' Birth 'Greatest Problem'*," Sun, January 31, 1967.

RECOMMENDATION

18. That research be done to determine whether or not alcohol affects the unborn child.

RESEARCH—"The Canadian Medical Association says public money in Canada is much more likely to be spent to treat your ills if you are a sick cow than if you are a sick child."

"... The federal government last year spent only 66 cents per capita on medical research while \$1.71 went for agricultural research." Another 85 cents was spent on biological research . . . "*Sick Cow better Off Than Child*", Sun, November 24, 1965.

RECOMMENDATION

19. That consideration be given to "the need for great attention to treatment of the children in the alcoholic's family".

16. EMOTIONALLY DISTURBED CHILDREN—"They've been neglected, abused, often brutalized at home for as long as they can remember. Since they don't vote, have no unions and wouldn't know how to pressure anyone for aid or protection, they are virtually ignored by all levels of government. They are the children of Canada's 250,000 odd alcoholics." Bill Stephenson "*They Learn to Live With Drinking Parents*" Maclean's, June 6, 1966.

"The fourth and perhaps the most important recommendation arising out of this study, concerns the need for great attention to treatment of the children in the alcoholic's family." The fifth recommendation is that more serious consideration should be given to the prevention of alcoholism and family breakdown," said Margaret Cork of the Addiction Research Foundation, Toronto, in "The Forgotten Children".

The Vancouver *Express* of April 4, 1970, reports, "One million children in Canada need treatment and care because they have emotional and learning disorders, says the Commission on Emotional and Learning Disorders in Children." There are 144 recommendations in the report, most of them calling for a change in public attitude."

RECOMMENDATIONS

20. That the Health and Welfare Department be requested to commence a positive campaign to promote physical, mental and emotional well being.

21. That every Canadian child be encouraged to attend Trade, Technical or High Schools. Those past school age, be encouraged to continue adult education.

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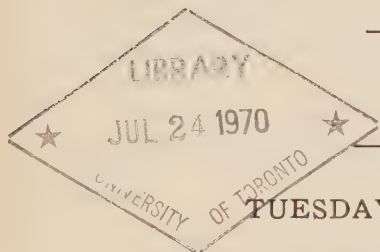
1969-70

THE SENATE OF CANADA PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE

ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*



No. 46

TUESDAY, JUNE 2, 1970

WITNESSES:

Canadian Teachers' Federation: Brother A. F. Brennan; Mr. Norman M. Goble; Miss Nora Hodgins; Miss Geraldine Channon.
The Canadian Council for Research in Education: Dr. Fred E. Whitworth, Director.

APPENDICES:

"A"—Brief submitted by the Canadian Teachers' Federation.

"B"—Brief submitted by The Canadian Council for Research in Education.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:--

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—

Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Tuesday, June 2, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, MacDonald (*Queens*), McGrand and Quart. (8)

In attendance: Mr. Charles Askwith, Administrative Officer.

The following witnesses were heard:

CANADIAN TEACHERS' FEDERATION:

Brother A. F. Brennan;
Mr. Norman M. Goble;
Miss Nora Hodgins;
Miss Geraldine Channon.

THE CANADIAN COUNCIL FOR RESEARCH IN EDUCATION:

Dr. Fred. E. Whitworth, Director.

(Biographical information respecting the above witnesses immediately follows these Minutes.)

The briefs submitted by the *Canadian Teachers' Federation* and *The Canadian Council for Research in Education* were ordered to be printed as appendices "A" and "B" respectively to these proceedings.

At 12.10 p.m. the Committee adjourned until Thursday, June 4, 1970, at 9.00 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

BIOGRAPHICAL NOTES

Brother A. F. Brennan Brother Brennan is the first full-time President of the Canadian Teachers' Federation. A native of Newfoundland, he is on a one-year leave of absence from his position as district school superintendent of the Roman Catholic Board of Humber-St. Barbe. Brother Brennan has an M.Sc. in science and education from Fordham University in New York. A member of the Congregation of Christian Brothers since 1937, he has 25 years of experience in the classroom. He has served as president of the Newfoundland Teachers' Association and is a Fellow of the Canadian College of Teachers.

Mr. Norman M. Goble Mr. Goble has been Secretary General of the Canadian Teachers' Federation since January 1 of this year. Prior to then he served for six years as Deputy Secretary General. Born in Scotland, he attended Edinburgh University, graduating with a master's degree with honours in Classics. Mr. Goble saw commissioned service in the British Army from 1942 to 1947. He taught for nine years in Scotland and for six years in Ontario before joining the CTF staff. He is a member of the Canadian College of Teachers.

Miss Nora Hodgins Miss Hodgins has been Secretary-Treasurer of the Ontario Teachers' Federation since 1944. She is one of three members of the *ad hoc* committee formed to advise the Canadian Teachers' Federation on the content of its brief to the Special Senate Committee on Poverty. Miss Hodgins was born in Seaforth, Ontario, received her degree in English and History from the University of Toronto and her professional training at the Ontario College of Education. She is Secretary of the Ontario Association for Curriculum Development and a member of the Board of Governors of the Ontario Institute for Studies in Education.

Miss Geraldine Channon Miss Channon, an Executive Assistant with the Canadian Teachers' Federation, was born in Ottawa and is a graduate in English (honours) of Carleton University. Her duties during her years with the Federation have included study, research and writing in such areas as teacher education, financing education, school libraries and disadvantaged children. Miss Channon is the author of the brief.

Fred. E. Whitworth: Education—degrees—B.A. University of Saskatchewan (Philosophy) M.A., Ph.D. University of California, Berkeley (Education Psychology) Experience—Teacher and principal of elementary and secondary schools, 15 years. Sessional lecturer at Carleton University, Ottawa, 1942-48 and 1950-62. (Introductory philosophy, general psychology, personnel psychology, guidance and applied psychology).—Instructor of Physical Education, School for the Blind, Berkeley, California for 1 year, and Psychologist, Menniger Clinic, Topeka, Kansas. (private mental hospital) for 6 months.—Unesco Secretariat, Paris, Division of Statistics, 1948-50. Chief of Research and Director, Education Division, Dominion Bureau of Statistics, 1942-1965 (except when on leave of absence).—Director, Canadian Council

for Research in Education, Ottawa, 1965 – 1970 and Executive Officer, Canadian Educational Researchers Association.—Chairman, National Research Council Associate Committee on Instructional Technology. Some Memberships—Canadian Psychological Association; Canadian Guidance and Counselling Association; Canadian Association of Professors of Education; Canadian Association for Adult Education; Canadian College of Teachers; American Educational Researchers Association; Canadian Educational Researchers Association; Education Advisory Committee, Canadian National Chairman for Unesco. Publications—In addition to publications of DBS and CCRE on education, research, planning, etc., many articles for professional magazines in these areas, and reports for the Canada Yearbook, Unesco, the International Bureau of Education, etc.

THE SPECIAL SENATE COMMITTEE ON POVERTY EVIDENCE

Tuesday, June 2, 1970

The special Senate Committee on Poverty met this day at 9 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The **Chairman**: Honourable senators, the brief this morning is from the Canadian Teachers' Federation. On my right is Brother Brennan. His curriculum vitae is with the brief. He is the first full-time President of the Canadian Teachers' Federation. He will introduce to you those who have accompanied him. Then he will make a short statement.

Brother A. F. Brennan, President, Canadian Teachers' Federation: Thank you, Mr. Chairman.

Mr. Chairman and honourable members of the committee, I would like to introduce to you the other members of the delegation making this presentation to your committee. On my immediate right is Miss Geraldine Channon, Executive Assistant to the Canadian Teachers' Federation, and the person responsible for the actual writing of the brief. She is also Staff Coordinator of the committee that was responsible for preparing the brief. Then there is Miss Nora Hodgins, Secretary-Treasurer of the Ontario Teachers' Federation, and then Mr. Norman M. Goble, Secretary General of the Canadian Teachers' Federation.

As spokesman for the group, I will just make a brief presentation. There may be some questions that you might want to ask. Some of the members of our delegation who are in a sense more closely involved in the work of the preparation of the brief will assist me in replying to any questions you might wish to ask.

On behalf of the Canadian Teachers' Federation, I would like to express our appreciation to you for according to us the opportunity to appear before you and to make some little contribution to this major task that has been assigned to your committee, because, as teachers, we are concerned with the state of poverty in which so many of our young charges are

condemned to live realizing full well the difficulty our young people face and the rather dismal future that awaits them because of their poverty, and realizing also the connection as we see it between that future state of theirs and their lack of education, or the lack of education that is envisaged for them under many of the conditions that exist today. We are very much concerned in making some recommendations to this committee that we hope will be of some benefit to you in your recommendations when you come to present your report.

Our organization is a voluntary federation of provincial teachers' associations which are autonomous in themselves, and when we present a brief of this nature, we try to make it as closely as possible a consensus of the opinion of teachers in Canada from coast to coast. For that reason, it is not the type of assignment that can be done overnight, and therefore we are appreciative of the co-operation of your committee in allowing us the slight extension in the actual presentation of the brief.

You will note on reading the brief that it is not a brief that contains a number of statistics gained from scientific research and investigation into the question of poverty and its relationship to education, or, on the other hand, education and its relationship to poverty. But we did not approach it from that point of view perhaps for two reasons, one was that in the time allotted to us, we felt it would be impossible to do it because of the process through which our work would have to go because of our relationship to the provincial associations, etc., and also because we feel that there are other agencies in the country that are perhaps better suited to providing this type of statistical information, and that your committee would be more interested, perhaps, in the presentation of our point of view, that is the point of view of the Canadian Teachers' Federation, and the recommendations we might have to make in that regard.

Besides the brief, we have passed on to you also "The Poor at School in Canada" which is a supporting document. Again it is not a scientific type of research as this is generally understood. It is intended to be

really some case studies that underline or underscore some of the thoughts presented in our brief. The case studies in themselves did not produce any information or any evidence that we were not aware of before the case studies began, but we thought that this type of case study would provide a type of human interest backing, if you wish, for the cold statements of facts that we have made in our brief, and it is with that intention that it is presented for your consideration.

Since the brief has been in your hands for some time, I do not really see that it is necessary for me to make too much reference to it, other than, perhaps, to call your attention to the fact that towards the end of the brief there is a set of recommendations which incorporates the ideas that have been expressed in the brief, and this committee will be quite pleased to discuss any of these recommendations or any other part of the brief that you have before you, as you see fit. Thank you, Mr. Chairman.

The Chairman: Thank you,

Senator Carter: Mr. Chairman, I would like to begin by saying how much I appreciate this brief and all the material that you have provided to support it.

I read your brief carefully and two thoughts stood out very clearly in my mind. One was that children enter the school system unequal, the poor as compared to the affluent, and the system increases the inequality. The other point that struck me was that the ones who need the most get the least. Is that a fair summary of the main points of your brief?

Brother Brennan: I think so. Of course, I think we should underline the fact that this is a development that is not a designed one, in the sense that no one has ever arranged that would be the way, but that is the way it has turned out, without any evil design on anybody's part, as it were. For example, we did make reference to the fact that the inner city schools generally are the worst schools we have. That is not because the educational authorities are providing worse schools for the poor, but it is just a matter of the facts of history that the economically better-off people have moved to the suburban areas and that is where the new schools have been built, and the older schools are in the inner city and that is where the poor stay, with the result that they have the poor facilities with all their consequences. I do not know whether any of my colleagues have anything to add.

Miss Nora Hodgins, Secretary-treasurer, Ontario Teachers' Federation: I would like to add to it because

I feel, for instance, that the Toronto board has made very definite efforts and has spent a great deal of money trying to improve the schools in the inner city, and I think other cities in Ontario have done the same. But short of tearing old buildings down and building new ones, you are faced with the fact that you have older schools in the older sections of cities, with the cost of school buildings being such that they cannot afford to demolish them.

One of the problems with the system also is that even though the board may try to give the best education possible in the inner city schools, it is still a fact that it may not be suitable, so that even giving better education of a typical sort does not meet the needs.

Senator Carter: In your document about education finance in Canada your figures go up to 1966. In 1966 we were spending almost \$6 billion on education at various levels, which is practically the same as we are spending on welfare, give or take a few million. Is more money the answer, or to what extent is more money the answer?

Mr. Norman M. Goble, Secretary General, Canadian Teachers' Federation: If I might express a view on that, it would be an obvious fallacy to suggest that money would be the total answer. On the other hand, it equally has to be recognized that no kind of reform or improvement can be undertaken without money. Money is a necessary starting point, and I hope we have made this point sufficiently clear in our brief. I believe we have tried to. Money is not the whole story, it is not the beginning and the end of the story, but it certainly is a very necessary and fundamental element.

If I may add one more remark to what has been said about the tendency of the system to increase the difference between the rich and poor, I think we must not overlook the fact that the school plant and what goes on in the school is not the only element in the education or educational experience of children. The unfortunate thing is that the concomitants of formal education are lacking to children in the inner cities and especially in some of the more impoverished rural districts, which are available in abundance to those who perhaps need them least. By "concomitants," I mean the kind of home background that encourages reading, conversation, talk, access to ordinary public libraries and encouragement to use them, play space, availability of good fresh air and organized games and recreational activities. All these things tend to be much more abundant in the areas where you find the best schools, which are among the more affluent elements of society. So here I believe is one of the areas

where money could make a difference, a deliberate application of money to develop auxiliary facilities; and I remember Conant, in 1951, using the phrase, "the basic concomitants of education," referring to this very thing, the need for the development of schools as centres for recreation for children who live in the depressed areas of the inner cities.

The Chairman: Your reference was to Professor Conant of Harvard?

Mr. Goble: Yes.

Senator Carter: In your brief you drew attention to the many shortcomings in our system—texts, curricula, organization of grades, lack of libraries and even poor school facilities. What you are saying is that every child should have equal opportunities to get an education, and he cannot have an equal opportunity unless equal facilities are available, is that right?

Brother Brennan: I suppose we could go even further and say that the poor need a little more in order to be equal, because they are working at a disadvantage anyway.

Senator Carter: Yes, they are handicapped.

Brother Brennan: Yes.

Senator Carter: One thing you did not mention in your brief, in view of the statement you made a few minutes ago about the cost of buildings and the difference in the buildings in the poor and affluent areas, obviously, no Government that I know of can afford to proliferate schools. School buildings are so costly we have either to design cheaper buildings that will be functional or make greater use of the ones we already have. I did not see any reference to that in your brief.

Miss Geraldine Channon, Executive Assistante, Canadian Teachers' Federation: If I might differ with you there, we did suggest that attempts be made to look into the design of buildings and renovation much more seriously, and we quoted one thinker who suggests the idea of proximity in school could perhaps be done away with. By this he means that one might be able to use for some purpose technological aids such as television, perhaps even in the home. Another idea is to use the community as a school, and a great deal is going on in that respect.

Senator Carter: As the school population increases, what do we do? Do we build more schools, do we

have double shifts in the schools we have, or do we bring the schools we have up to standard, as far as we can? What is the wisest use of the financial resources to cope with this problem?

Brother Brennan: We have not by any means reached the maximum use of our school facilities, certainly not as community centres, which perhaps could be used to a greater extent than they now are. There are implications, of course, in making the maximum use of them as schools, to the extent of the extended school day or the double shift, and so on. I am not saying it is impossible, but I do see implications in it from the point of view of the home because our whole society is geared at the present time to the type of school that the children and their parents have been accustomed to, and you could not get much more use out of the schools without making some radical and fundamental changes that would involve not just the school children themselves but the community in which the school operates.

Senator Carter: Let us take this school that can accommodate a thousand children and in respect of which you say: "We will take a thousand children from ages one to six from 8 o'clock till mid-day, and the we will take another thousand children of ages seven to ten in the afternoon". By doing that you have doubled the use of the school building and facilities in every way. Would you agree with that type of arrangement? Do you think that that is something we should be considering?

Miss Hodgins: What would the thousand children who came in the morning be doing in the afternoon? We are talking about a poor down-town neighbourhood where they cannot go out to play in the park or down by the river. What do you do with them in the afternoon?

Senator Carter: But is not that what the school is designed for? After all, the school is there to provide the children with the basic tools of learning, and there is only so much equipment to do that. You have to make the wisest use possible of that plant and equipment, and alternative arrangements have to be made for the children when they are out of school. After all, children normally are in school for only five hours of the day anyway, so there is still that problem of what they do for the rest of the day. I do not quite follow your reasoning on that.

Brother Brennan: Society has been putting more and more obligations on the school. Things that were not

part of the school obligation are now part of it, and, indeed, additional responsibilities are being suggested for the school by society at large, and this makes the school today extend far beyond being a place where reading, writing and arithmetic are important.

Senator Carter: I think this morning's radio spoke about the students in Winnipeg going on strike. They are going on strike because the teachers are working to rule. In other words, the teachers are doing nothing but their school activities, and are refraining from engaging in all of their extra-curricular activities. What is the attitude of your Federation to these extra-curricular activities, which are fringes so far as the actual learning process or classroom duties are concerned?

Brother Brennan: I think the teachers by and large have accepted extra-curricular activity as part of the overall educational process because they feel that much of what goes on outside the classroom is of importance to the development of the child. So, while they are engaged in extra-curricular activity, for the most part on a voluntary basis, I think most teachers look upon it as part of their duty in the school under normal conditions.

Mr. Goble: What may seem to be the fringe of activity sewn onto the garment of learning may, in fact, be a very important element in the total process of education. We are becoming more and more acutely aware that the school itself is a community, and depending upon the organization, shape, and the style of that community it develops one or other pattern of community behaviour, and it begins to exercise its own influences on the children which have an educative force at least as great as the formal teaching which goes on in the school.

Senator Carter: Do you take the position, then, that when the teacher is paid a salary he is paid to do this extra-curricular work outside the classroom?

Mr. Goble: That is going very fast to a rather specific aspect of the question. With your indulgence I might perhaps complete an answer to an earlier question you put that suggested that the school as a community educating children is extremely important, and say that the overall pattern of activity is extremely important. There is no way of avoiding housing school children. If the numbers increase then new accommodation has to be provided. As it happens at the present time the curve of increase in total school enrollment is less steep than it has been for many

years, and new problems are arising in that space is becoming available in schools which are inconveniently located, but these are administrative problems to be solved in different ways according to the different settings in which they occur. In the meantime, two essential points arise. Where there is gross increase in population the children must be housed in a school, and there is no way of avoiding that. It is an inevitable cost burden. But, the quality of the experience of the children in that school is the vital element. If they are in school for only three or four hours a day then it is all the more important that what happens in that school is conducive to not just formal learning but education in its global sense. This is why we attach importance to light, colour, appropriate activities being open to the children, and to an attractive setting, so that the children are stimulated to awareness, to alertness, to curiosity, and to the process of learning in the schools. Here is the basis of our concern, especially in the old schools of the inner city. Generally, they offer cramped space, gloom, lack of colour, and a confining effect that narrows the spirit of the child rather than offering room for the enlargement of the spirit, which is the essence of education.

Senator Carter: You made the point in your brief, unless I misunderstood it, that when low income families move around to different parts of the city they should not be separated from their school; that some means should be found by which they can still maintain their association with their school. So, you are faced with the cost of transportation versus the cost of enlarging the school building to accommodate those children.

Mr. Goble: This has to be a local decision, according to the mix in the particular area.

Miss Hodgins: I go back to the question of using the schools for a longer period of time. One suggestion that is being considered is the semester system in which you have the same number of children in the school all year round, but you do not have the same children. The holidays would be staggered, so to speak. But, in our climate that raises the problem of air conditioning in the summer months. You go from one problem to another so far as the expense of the building is concerned.

Senator Carter: Is it not a fact that our present organization of the school year which lets a lot of youngsters out in the spring is geared to the time when Canada was an agricultural economy and the children

were needed to work on the farms. The school year was fitted into the economic life of the country, which was mainly rural and agricultural. That is no longer the case, and we have not yet adjusted to the modern economic facts of life.

Miss Channon: This conclusion has been drawn by a number of educational jurisdictions, and they are releasing to local boards in some cases the power of deciding how their school year will run, or how they will break it up.

Brother Brennan: That is historically correct. However, we have now developed a rationalization for it that is no longer based upon the historical origin of the custom. To a great extent also our society and work world are related to the school year.

Most people have their holidays in the summer and it is fairly important that parents be free at the same time as their children.

It is not something that could be arranged overnight. A great amount of preparation is required on the part of the school authorities and the community itself.

Senator Carter: But should we not examine our rationalization in the light of the facts of life with which we are faced? We spend nearly \$6 billion each on welfare and education for a population of 20 million. That is nearly \$12 billion for those two items, which has proved to be insufficient. We have to spend another \$2 billion. Where are those dollars going to come from?

Then you are faced with the problem of maximum utilization. I am not interested in rationalization just for its own sake. We are faced with a hard economic problem, to which we must find some answer.

Brother Brennan: In addition to schools there must be public buildings that are not used 24 hours a day and which could be utilized. The ordinary working day for civil servants is from nine to five. Perhaps the same argument could be used in relation to the utilization of other public buildings as well as schools.

I do not believe that it is correct to say that schools are only occupied for five hours per day. Most schools with which I have been connected have been in use not only from nine to five or four, but up to six o'clock and over the weekends, particularly if they are community schools.

Senator Carter: You are only saying that two wrongs do not make a right. I am pinpointing one of the wrongs now.

Brother Brennan: Many schools are well occupied after four o'clock.

Senator Carter: They are occupied all right, but are they occupied in the manner in which they should be in view of the problem we are facing? It is a case of priorities of the occupation.

The Chairman: The universities utilize their facilities almost year around, do they not?

Brother Brennan: A number of them do.

The Chairman: I was under the impression that a considerable number of them do. On the other hand, Senator Carter is saying that whatever use is being made after hours is minimal in so far as the educational process is concerned.

Miss Channon: That is not absolutely true. Many of the secondary schools are busy in the summer time, offering remedial courses.

Senator Fergusson: It is educational, even if it is not educating children of school age.

Senator Quart: It is wonderful that community organizations are allowed to use the schools. However, what facilities are available to the Girl Guides, Boy Scouts and theatricals produced by the schools?

Senator Carter: They could be accommodated in this other vacant space just as easily.

The Chairman: I think you had better take another line, Senator Carter.

Senator Carter: I do not believe I am making much headway on this subject.

With reference to the division of the education dollar, are you in agreement with it being divided into the fields of university, elementary, secondary, higher and vocational education?

The Chairman: To which page are you referring?

Senator Carter: There is a figure 5 on page 9.

Mr. Goble: It should be emphasized that the figure 5 is the division of the increase.

Senator Carter: Yes, this emphasizes the increase from 1957 to 1967, a period of ten years. However, the figures indicate that the greatest increase has been in higher education.

Mr. Goble: It would be fair to say that we are a little disturbed by this distribution. This is not because we do not recognize the need for higher education, but because we feel that the extreme importance of education in the very early years has been neglected. This may be due to the very obvious urgency to accommodate the large increase in the college age population.

The two areas of concern are education in the earliest years, including pre-school and kindergarten, and the education of teachers. These have not received sufficient support and development.

Senator Inman: The brief is very interesting and informative. We are all interested in education, so I read it very carefully.

In paragraph 8 on page 3 you state:

The overall question of stratification and social class is extremely complex and, in the final analysis, is a political question, which must receive a political answer.

Would you enlarge on that statement?

Miss Channon: In discussing poverty and the poor we are concerned with the distribution of funds.

There are many political theories with regard to distribution and redistribution. They vary from free enterprise, with people obtaining as much as they can and disregarding others, to equal distribution.

Therefore there obviously is a political factor as to how income should be distributed and other judgments made.

While we know that there is no complete connection between income and status, there is some correspondence. Therefore, political questions have an influence.

Senator Inman: Does this question arise during meetings of your Federation?

Miss Channon: It has come up in the form of discussions on taxation and comments with respect to the recently presented White Paper. These are such matters as the progressive character of income tax.

Senator Inman: On page 5, in paragraph 10 you say:

Teachers also experience at first hand the frustration occasioned by the apathy and lack of interest in school that many low income parents exhibit.

Could there be any sort of follow-up contact with the parents? I can understand that perhaps it is hard to get parents of poor children to attend parent-teacher meetings. Do you find teachers make any great effort, though, to find out for themselves? I have in mind a teacher in Ottawa at a school where there were a lot of poor pupils, some of whom had problems, which she could not understand. She visited some of the homes and was able to contact the parents and exchange explanations. She said some good results flowed from that. Is this usually done by teachers or not? I know one would need a rather dedicated teacher to do this sort of thing. Do you think much of that is done?

Miss Channon: I do not think it is universal.

Brother Brennan: I think the situation is aggravated in the poorer area schools, for a number of reasons. One is the constant turnover of teachers in these areas, because unfortunately most teachers in such schools are looking forward to the day when they can get a better assignment. When teachers are constantly moving in and out of a community, they do not develop this very desirable contact with the parents. For that reason the parents are perhaps hesitant to come to see the teacher, as they would do in a school where there was a certain core of teachers there all the time, who would maintain this contact between the community and the school.

Senator Inman: Do you not think it would be a great help to both the pupils, teachers and parents if this could be accomplished in some way?

Brother Brennan: Indeed.

Miss Channon: In that connection, I would mention that there is some tendency towards hiring social workers and case workers to be attached to schools, to go out specifically to explore the home situation and involve the parents in the school.

Senator Inman: I think that would be an excellent idea.

On page 7 you say:

A guaranteed income would appear to be preferable to the family allowances, which seem to provide incentives of a less desirable sort.

What incentives would you suggest? Would you comment a little further on that?

Miss Channon: I wonder if I could quote from a man who spoke to our board of directors a few weeks ago? I do not think we ought to go into this too far for a number of reasons, but he said, "Babies are the cash crop".

Senator Fergusson: We do not all agree with that. Some of the committee might, but we have had discussion on this subject in the committee, and I certainly do not agree with it for one.

Senator McGrand: I did not get the answer. Would you repeat it?

The Chairman: Suppose we drop it for the moment and go on to something else.

Senator McGrand: But I did not hear the answer.

The Chairman: The answer was that they had heard this statement made. They prefer to let it stand at that for the moment.

Senator Inman: With reference to your recommendation 6, since census data is obtained only every ten years, why does the Canadian Teachers' Federation not recommend that provincial departments of education obtain family background information on children attending school. Do you think it would help if they were included in the census?

Miss Channon: The family background of children? It is included in the census, but the analyses are not necessarily made in this form. They have information on children attending and not attending school, the years of schooling and so on. They could relate this to the income of parents and so on, but they tend not to do this kind of analysis, which it seems they could do with the computers presently available.

Senator Inman: On page 20, in paragraph 40 you speak about children going to different schools, and how they may feel greatly different. In smaller communities all children go to one school; there is no separation, there are not two schools; they all go to one school. I am thinking of my own province of Prince Edward Island—perhaps some of you may know it. In a community of, say, 2,500 people, children go to the same school and mix all the time. Do you not think this is a good thing?

Brother Brennan: Yes. I think the point we make in the brief is that one of our major problems is the urban poor, because they represent such a large group.

It is the urban group who unfortunately are confined to their own ghetto, if you wish. The same situation would not be true in smaller towns such as you suggest. The urban poor are congregated, unfortunately, in areas of the city from which more affluent people have moved.

Senator Inman: I think it would be a good thing if they did mix, because small children do not sense any difference.

Miss Channon: I think there is some evidence to show that where the children of poor and affluent parents attend the same school they may not mix at all, for various reasons, even so simple a reason as the quality of the clothing, or the parents at home saying, "Don't play with So-and-So."

Mr. Goble: I should like to emphasize the point made by Senator Inman, which I think is a very good one. The mixing of children from the earliest days in school provides the best chance of genuinely equal facilities. One of our supporting studies is, in fact, on Prince Edward Island. That study illustrates the other aspect to the point you were making, senator, that even in Prince Edward Island there are tendencies for communities of poor and rich to separate. I believe this bears out that this trend towards separation into rich and poor leads to one of the most grievous forms of deprivation suffered by the poor.

Senator Inman: Can you tell me how you define that difference? They all go to the same schools there.

Mr. Goble: In the city, according to the evidence of the observational study we have received from Prince Edward Island, even there—I say "even there" because Charlottetown is not one of the larger urban centres in Canada; certainly it does not compare with the large industrial cities of, for example, southern Ontario—even in that situation there are already dangerous tendencies because of the pattern of habitation for colonies of the affluent and colonies of the poor to develop distinctive schools.

Senator Inman: Do they all still use the same schools?

Mr. Goble: To a degree.

Brother Brennan: The same schools in the sense of the same system. It was interesting to note, after having a conversation with a chap from England, that they are introducing composite schools there. These

are supposed to take the place of the old grammar schools and be academically exclusive, if not economically so. My informant mentioned that in the city where he lived they had a number of these composite schools. They have been in force only a few years, but already there is a certain polarization of the poor into one or two of the schools. I suppose this is mainly because of the fact that the poor live in one part of the town and the wealthy in the other.

The very purpose of these composite schools was to break down the social stratification. I suppose the old grammar schools which they had were setting up social and academic ratification. He also said that of the schools which had been in operation four or five years, the social stratification was beginning to take place already.

Senator Inman: Within the school?

Brother Brennan: Yes.

Senator Fergusson: I am afraid we are talking about the Maritime Provinces. I wonder if the federation has any recent information in regard to the New Brunswick schools where they are closing so many of the small ones and taking the children into regional schools. Do you think this will have any change in the tendency?

Miss Channon: In the study from New Brunswick it suggests that the inequalities have been reduced within the last three years through the consolidation of schools.

Senator Fergusson: I have read this report but I have not seen anything within the last few years following the Byrne Report, because we have done more in this line.

Miss Channon: You mean the study in here was not recent? It was material in this report referring to New Brunswick and it only referred to the time of the Byrne Report coming in.

Mr. Goble: We are at the mercy of the Dominion Bureau of Statistics as far as this publication is concerned.

Miss Channon: The person who made this study on New Brunswick had a difficult time finding comparative distinctions—one poorer than the other. When he found two schools he used the one which had the highest number of poor students, fewer facilities and

one which did not seem to have any kind of library, whereas the one in the somewhat more affluent area did have. Basically the facilities appeared to be much more equalized.

Senator Inman: In the middle of page 26 you say:

It is therefore the feeling within the Canadian Teachers' Federation that greater provision should be made for the establishment of kindergarten. . .

How far would you suggest that governments should go in establishing pre-school programs and kindergartens, and would you suggest that they accommodate all children irrespective of whether they come from poor or more affluent families?

Miss Channon: I believe that the teachers would strongly support the establishment of kindergartens for all children. In that paragraph we were simply thinking in terms of allocation of resources immediately, and that there should be some positive attempt on the part of the school boards to provide kindergartens for the children who need them the most.

Senator Inman: This would be attached to the school?

Miss Channon: Yes.

Mr. Goble: There is a good deal of evidence to indicate that junior kindergartens are very important to children in poor areas of cities where they need to be brought up to the level of the children from more well-to-do homes. Again, if we had to have priorities we would say that the money should be spent on pre-school education for the poorer children, simply to help them catch up.

Senator Fournier: I have to admit my guilt in not reading the report. This is what happens when you wait until the last minute. It is a large report and I was planning to wait until the weekend, but I found that it was necessary for me to go to New Brunswick to attend three business meetings.

I was going to follow Senator Carter's questions, but I see that he has just about given up. He has not made too much headway. I am not surprised, because as a former teacher there is nothing more confusing than disagreement between members when attending teachers' association meetings. This is where you find the largest group of people with very little knowledge of the society and what is going on outside of the

schools, as well as very little knowledge of government operations.

The brief is similar to what I was expecting, making recommendations that come out of books, surveys, and so on, but not really coming to the point of what we want to know. As Senator Carter mentioned, we are facing problems in welfare and education which are increasing by leaps and bounds. The country is facing problems with hospitalization, medicare and heavy taxation, as well as poverty.

You cannot open a newspaper today without seeing a request by teachers for more money. In reading of the salaries which some of these teachers get, I feel that some may be out of proportion. I do believe that teachers should be well paid for the work they do, but I emphasize the form of the work. I have yet to read of one teachers' association which is making a bid for more money and which is ready to add to the services they give. School boards should impose certain obligations on the teaching personnel. Commenting in a lighter vein, I do not think in most cases we have the teachers we used to have. This is due to teachers being overpaid and this applies to New Brunswick as well.

Through the teachers' associations we have spent a lot of time at annual conventions. In my province they are usually held around Easter week. We used to take part in these "free days" for the New Brunswick Teachers' Association, the NBTA. I was the President for two years of the NBVI for the Province of New Brunswick. There was quite a contrast between the first meeting I attended when I started to teach, and the last one. I could see the change in that 14-year period. The first meetings were dedicated to improving the curriculums and methods of teaching, as well as improving the standard of teacher. The last few years the teachers' meetings have reminded me very much of union meetings. Everyone talks in terms of more money and easier work. It results in a lot of people becoming disgusted and dissatisfied. Nevertheless, the point remains the same. The cost of education in every province across Canada has gone almost beyond ways and means of taking care of it.

Senator Carter tried to pursue the use of these school buildings. It is true enough that there is no company in existence in the world who would spend millions and millions of dollars to build a factory which would operate for five or six hours a day. In the schools we do that.

There was some discussion about using the schools, having morning and afternoon classes and a word was mentioned by one lady when she said there was a

problem of "air conditioning" in the schools. That was one term which was used. It is one of the obstructions that we find. This is typical of what we find within the school system, through the teachers. In my days, they did not care much about air conditioning in our schools.

Senator Fergusson: You did not have school in the middle of the summer.

Senator Fournier: Well, now, we were working very hard, believe me we were working. We would much prefer to be in school than to be out in the fields. On the question of air conditioning, I am not serious about that, as I do not think it is a serious matter. I do not think it is obstruction, but the fact that it is mentioned reflects on the attitude of the teachers when we get into this argument.

Senator Carter says the money has to come out of the 20 million people, but I would like to tell the senator that it does not come out of the 20 million people but out of 8 million people because there are only 8 million taxpayers or scarcely even that number.

Another thing which is very bad, as far as I am concerned. In my days, I belonged to the teachers' association. In those first few years that I was in it there was never any talk about teachers striking, because the teachers were a model of society. In order to be a teacher you had to be a model in your own community. Even your private life was affected, because what you do at night, with whom you associate, whether you go to the pool room or what you do, your children will come back in the morning and say "I saw my teacher last night, he was there, or she was there." All these things reflected on the society and on the children.

This is something of the past. I was talking about strikes. If we had this mentioned about strikes—Senator Carter mentioned about children going on strike now. Naturally children are going to strike because they copy what the teachers are doing. The children are going to strike and say that they will not go to school in the morning, because the teacher said something they do not like or because they do not like the principal, we do not like this and we are going to strike for two or three days, and if we do not succeed we will break the furniture, we will break the glass and so on. Who gave the example, in the first place?

The Chairman: Senator Fournier, let us . . .

Senator Fournier: I am making a lecture and not asking questions, but this is all related to this society

and related to this question we have before us. The result of it is the cost of education is alarming to everybody. The cost of transportation in my province is high—where we have to transport people 35 to 40 miles in busses, and where we are going I do not really know. I cannot answer the question.

The Chairman: Brother, have you some views?

Brother Brennan: I would like to discuss this matter with the honourable senator, because I have very definite views on it; but I think it is a little bit off the topic we are discussing.

The Chairman: Yes, we have not the time today.

Brother Brennan: If there are any comments on the brief, we will be glad to respond to them.

Senator McGrand: I do not want to re-thresh old straw, that we have been discussing. Nevertheless there is a point which and I think Senator Fournier had a point in his view. I am going to ask this question. This is not a question I had prepared but a question which developed out of the conversation this morning. If teachers accept the concept that the school was part of the community and if they accept that the school is part of the community, what effect does it have on the spirit of the community when teachers go on strike? Then you come down to this. In most of these schools, when these students that go on strike, I have a feeling that most of those who go on strike come from the schools in the upper class and middle class areas. Now, here is the point. How does this relate to the re-orientation of the poor, and apart from that I have no other views at the moment.

Miss Hodgins: I would like to point out that the Ontario Teachers Federation policy is opposed to strikes. The discussion of strikes, it seems to me . . .

Senator McGrand: I am not talking about the right to strike. I am talking about these other things—if the teachers strike, and the pupils strike, how does that affect that re-orientation of the poor people? It is the poor people we are talking about. Does it have any effect on them?

Miss Hodgins: I do not think so.

Senator McGrand: Very well. Then you have answered the question.

On page 3 of your brief you mentioned "the overall question of stratification and social class is extremely

complex." The work "stratification" has been brought up two or three times this morning. Does this reference to stratification, as you use it—this is the word "stratification"—stratify—is rather a permanent structure in this business. Does that mean that we can develop a sort of caste system in which the poor belong to a caste? You mentioned that in Prince Edward Island you have that problem—it even happens there, and in other places, that poor people are segregated, even within the school structure of the building. Can you see the emergence of a caste system coming?

Miss Channon: If you look at caste systems, you find that the distinguishing characteristic is that it is a legal position that you are not allowed to get out of; and I do not see that as developing in our society, not in terms of a caste as you find it in India.

Senator McGrand: Then you cannot use the word "stratify" either, because that belongs to geology. You are using the word "stratify", which is a rather strong word, so I am using the word "caste", because that is a strong word.

Miss Hodgins: There certainly seems to be a development, and I am quite certain you have heard this discussed in your discussions throughout Canada, poor people tend to perpetuate their poverty. You have had these statistics indicating that families "inherit" welfare, and families of three generations will be on welfare.

One of the problems we are trying to get at in our brief is the educational problem of how to help children get out of that stratification or classification, or that tendency to remain at a poverty level with welfare as a way of life rather than to try to escape. I have seen references to that many times in reports presented to you. You have statistics on that.

Senator McGrand: You speak about schools that are old, gloomy and poor. Structure is only one aspect of that; buildings can be improved. The question comes down to teachers; library and reading room facilities; and the use of films and other educational devices that could give poor people a different orientation.

Apparently the well-to-do have good schools, or a good school system, while the poor do not. Apparently the poor are neglected, have poorer teachers and have poorer programs; or at least the programs they have are not of particular benefit to children of poor families. How do you define poor schools?

Brother Brennan: When we refer to poor schools, we mean they are usually poor from just about every point of view; they are the oldest, the gloomiest and the dirtiest.

Incidentally, I was talking to an electrical engineer yesterday, whose work consists in lighting and its effects upon the efficiency of people in their work. He told me that he had recently visited a plant in New Jersey which was operating below 50 per cent efficiency because of its mere physical set-up: it was gloomy, sooty and dirty. It struck me forcibly at the time that if there was any validity in his comments with respect to a mere plant they would certainly apply to schools where facilities are poor, gloomy and lack such educational devices as resource centres, library facilities, film strips and visual aids generally. In addition to that, poor schools also suffer from having teachers of lower qualifications. Moreover, poor schools lack playgrounds, indoor recreational facilities and gymnasiums.

In other words, poor schools are often schools that were built several generations ago when the added services that are found in the modern school of today just did not exist.

Miss Hodgins: I think we would agree, however, that the old building is not necessarily undesirable *per se*. The old building can be remodeled and made attractive. Reading facilities and the like can be built in.

Obviously it is not the fault of the federal Government that the local school boards tend to neglect old schools.

Senator McGrand: I had in mind the Duke of York School in Toronto.

Miss Hodgins: It is a good school.

Senator McGrand: Yes. It is an old school built before the turn of the century, I believe. Nevertheless, it is one of the model schools in Toronto.

Miss Channon: On page 39 of our brief we try to outline some of the features of the programs being used to improve schools. The number of students per classroom must be reduced; reading and language specialists must be brought in; meals and day care centres have to be provided, and so on.

Senator McGrand: On page 34 of your brief you mention discrimination. You say that if discrimination in Canadian society, whether conscious or un-

conscious, could be ended, a major step would have been taken towards the elimination of poverty.

Are you saying there that discrimination exists and that it will eventually lead to a stratification of society in which the poor will be separated from the well-to-do? If the poor are separated from the well-to-do they will have a different set of values while they are young people, and if they maintain that different set of values until their adolescence they will retain those same values for the rest of their lives. Is that what you have in mind?

Miss Channon: We do have a continuing situation of stratification, senator. I should think that is why this committee exists.

Senator McGrand: But would it become a permanent fixture?

The Chairman: I think what Miss Channon is getting at is that it could become permanent if this committee does not come up with some solution.

Mr. Goble: What has been said underlines the necessity of having the "poor" defined. There will always be those who earn less than others. But, if there is hope of mobility, that does not matter much. Many of us have experienced poverty. I did in my childhood. But if poverty is something you can escape from, then there is no permanent harm. It is when you find that there is a group developing to whom the escape routes are closed that you have a catastrophic problem.

Miss Channon: A letter we received from teachers in the Northwest Territories has in it a description of how it feels to belong to the disadvantaged group in the Northwest Territories.

Younger people... can and do make demands that are invariably denied because of a lack of economic means. They learn that economic impoverishment goes hand in hand with legal impotence, social marginality, a general knowledge deficit, and, ultimately, a profound questioning of racial adequacy and self-worth; not that fear and trembling that is the hope of the existentialists but those "cliffs of fall, frightful" that Hopkins uses as an image of the descent into despair.

That is the way our teachers of the Northwest Territories describe how it feels to be poor up there.

Senator Fergusson: Your brief was extremely interesting. The supporting documents were most helpful.

My only problem was an excessive interest in your footnotes, which had the effect of delaying my reading of the brief. I was surprised to learn that the members who make up your Teachers' Federation have had such a great interest in poverty and in the pupils who are suffering from poverty. I was delighted to see that you had done such a tremendous amount of work. It helps to contradict some of the remarks Senator Fournier made to the effect that teachers are more interested in salaries than anything else. The fact that you have produced all this material certainly shows that you have other interests besides an increase in salaries.

Senator Fournier: I must be reading the wrong newspapers. I am sorry.

Senator Fergusson: In your brief, at page 49, your first recommendation is that some form of guaranteed annual income should be established which would enable those presently defined as poor to achieve the goals of adequate housing, clothing and nourishment. Do you accept the definition of poor given by the Economic Council of Canada, or do you have some other definition of who is poor?

Miss Channon: I think we have defined as poor those who are a great deal lower in their economic status than the bulk of the population. Because of this difficulty in that, as you know, you have a range of income in which you have people who are extremely low. And the Economic Council has two definitions, the minimum and the maximum, but even those are only adopted for statistical purposes and must take into account some variation in need from one individual family to another, or from one individual to another individual.

The Chairman: I did not understand the Economic Council to set a maximum. I understood them to suggest a minimum.

Miss Channon: But they did have two definitions, didn't they, the one at 70 per cent and the other at 60 per cent?

The Chairman: No, the 70 per cent is Miss Podoluk's definition which is the accepted one and the others were merely for discussion. But the 70 per cent one for food, clothing and shelter is the accepted one. There was no maximum suggested.

Senator Fergusson: Would you accept that 70 per cent generally as being a good definition and would that apply in different areas of the country?

Mr. Goble: This cannot be a universal definition because of the categories of people that you may be talking about. There are the obvious exceptions; you may be talking about somebody who has withdrawn from the labour force for a couple of years to take a post-graduate degree and who would be living for those two years in the definition, the financial definition of poverty. But in reality he has no problem of poverty.

The Chairman: But insofar as income is concerned, wherein does he differ from anybody else?

Mr. Goble: The financial figure shows no difference, but the expectation and the hope differ very greatly, and this is where you have a great problem, I think, in setting up a universal definition in any terms because individuals will always differ. So one can only say that very broadly speaking, by and large, we think this 70 per cent definition is an adequate measure, erring if anything, on the optimistic side.

Miss Channon: I think we have got around that problem about the poor, or about the person who chooses to be poor by defining poverty as being involuntary; in other words, those who have not any choice between having and not having, and this would not apply to the case of a student in the example given.

The Chairman: But what Senator Fergusson is getting at is this; sooner or later we have to come up with a meaningful figure for a poverty line. It so happens I have brought some along with me this morning in case this matter came up. The poverty line has changed, taking a family of four—and this is the size of family we normally use—the Dominion Bureau of Statistics in 1967 had it at \$4,060, and the Economic Council of Canada has it at \$4,200 in 1968. The Ontario Department of Treasury and Economics in 1969 put it at \$4,430, in each case taking into consideration the increased cost of living and the Gross National Product. That is the point Senator Fergusson is trying to get at. If you had the opportunity to examine the Economic Council's figures and bring them up to date, how would they strike you?

Senator Fergusson: Well, I have one or two other points I would like to bring up arising out of your recommendations. In Recommendation No. 3 you recommend "That education be given priority among possible long-term solutions to the problems of poverty." Do you include in that the learning of skills and that sort of thing or just academic education?

Brother Brennan: Whether we include it or not, education in the traditional academic sense is a pre-requisite for the training in other skills anyway. As you know, a lot of the money being used by the federal Government in retraining programs is designed to give the kind of education that the child should have got in primary and secondary schools anyway.

Senator Fergusson: So in this recommendation, you would say that pre-school training should also be included?

Brother Brennan: Particularly in this case where pre-school education is vitally essential for eventual success in the normal school situation.

Senator Fergusson: And then in the seventh recommendation, you suggest "That the federal government provide financial support for all levels of education (elementary, secondary and post-secondary) in regions of the country where there is a clear deficiency in tax-paying ability, relative to the rest of the country." That is at the bottom of the page. Of course you are aware that education is a provincial matter, so what justification would there be for the federal Government to assess those regions and decide where they are?

Brother Brennan: It seems to me that the federal Government is doing it anyway.

Senator Carter: I think Senator Fergusson's point is that the federal Government is doing it, as you say, through equalization grants, but they cannot pinpoint it as a priority.

The Chairman: Or admit that they are doing it.

Senator Fergusson: And they cannot say that they are giving it for that purpose, can they?

Miss Channon: This is a matter of belief, whether they can or can not.

Mr. Goble: If I may comment on that point, there is an extensive process of equalization going on in the distribution of revenue. This is the starting point. Now part of the process is that the provincial governments are presenting their case to the federal Government and the expense of education is by far the heaviest burden carried by the provincial governments. What we are really asking is that this should be more fully recognized than it is, and we recognize that the federal Government is still the government that has the

greatest potential sources of revenue and it still has the fattest purse at its disposal. We are asking that more efforts be made to adjust the distribution of revenue to take account of the power and commitments and burdens carried by the provincial governments in which education of course stands at the top of the list. This does not mean that the federal Government should undertake a diagnostic exercise to see where education might be improved and apply specific moneys with strings attached to remedy those situations, but we would hope that this would come about through closer consultation between the various governments and the different jurisdictions. Miss Hodgins is in an authoritative position to speak on this because she is, so to speak, speaking from within a provincial jurisdiction.

Miss Hodgins: Well, as a matter of fact, we are opposed to the giving of money in education with strings attached because we feel that education is a provincial matter, but there are certain formulae; the federal Government does assist universities and does assist in vocational training and so on, and so we feel that this could be carried through. In discussing the brief, it was quite obvious that there were two basic problems, one was the poorer community, or areas where with the best will in the world they could not provide their children with good schooling because they could not pay for it, and this is an effort to meet that particular problem.

The other situation, that of the poor school in the wealthy community, is quite a different one and brings in different problems, but this community problem is the one that can be helped just by some money.

Senator Fergusson: I still cannot quite see how the federal Government can do this.

You refer to the difference in the quality of teaching between the middle class and the lower class in schools. I gathered you said, or somebody said, that the best teachers should be where the poor children are. Actually at the present time it is just the opposite, do you agree with that?

Miss Hodgins: I really cannot agree that it is just the opposite. There may be tendencies towards that.

Senator Fergusson: I gathered this from what I read.

Brother Brennan: There are notable exceptions.

Senator Fergusson: Oh, I am sure there are.

Brother Brennan: There is the Duke of York School which would be a notable exception, but everybody knows of that because to a great extent it is an exception.

Senator Fergusson: Yes, but in a general way would you not say that mostly in the poorer schools we have the poorer teachers?

Brother Brennan: Yes.

Senator Fergusson: What can we do to encourage teachers to teach the poor, as they do in the Duke of York School? What has prompted those teachers to take on that work instead of looking for a better job?

Miss Hodgins: I think that is where the development of different kinds of programs comes in, and I think there is a recommendation further on about supporting that sort of thing. I suppose we are just beginning to realize that with all these differences in background, and so on, we do have to provide different programs. The Duke of York School is really an experimental school. It is trying to develop different programs which will meet the conditions downtown, the interests of the downtown children and their backgrounds. We have the same problem in Indian education, in which we are realizing the kind of education you give the student in a city has to be different from the kind of education you give the Indian.

Brother Brennan: It is interesting to note also that, in speaking to the superintendent who controls the Duke of York School, he was telling me that he has no shortage of qualified teachers. I think one of the reasons is that the board there is making a conscious effort to upgrade the Duke of York School. They are providing facilities there, and if in these poorer schools the only thing that was different between these and the better schools was the fact that the kids were poor, I do not think you would have too much trouble getting good teachers. What aggravates the situation is the fact that not only are the kids poor, and therefore the co-operation between the home and the school is not as good as in the more affluent areas, but the facilities are usually quite inadequate and there is a series of frustrations when a teacher tries to operate in a school where conditions are not as they should be. So, an effort to upgrade these schools would be one of the ways in which to improve the teaching.

Senator Fergusson: In reference to the native peoples in your last recommendation—I seem to be

spending a lot of time on these, although I have many other questions I will not have the time to ask—you did say the Government could provide assistance to enable them to develop appropriate courses for teaching the teachers of these native people. Should that not also be applied to teaching the teachers who are going to teach in poor schools?

Miss Hodgins: I think that is quite right. I was just going to comment that, again, when you study the situation and realize these situations, one of the reasons is that we have a great many young teachers in the teaching profession now, their average length of experience being probably four or five years. They find that they do not know how to handle the problems in the inner city schools, and I think that is one of the reasons. It is just not a matter of pleasanter surroundings, but they are frustrated and do not know what to do. There is a culture shock.

The Chairman: Discipline.

Miss Hodgins: No, not discipline, but there is a culture shock because they have not met this sort of people and these kinds of problems before. One of the things the educational institutions for teachers are beginning to face is the fact they have to make provision in their training for this sort of thing, because most of the teachers do come from the more comfortable homes.

The Chairman: But I do not understand the answer someone gave to Senator Fergusson. How do we justify even the thought of saying, "We are training you to teach poor children, and you can also teach other than poor children"?

Miss Hodgins: Everyone would get the same, but they would be aware of these differences in the different groups of children.

The Chairman: Are they not now aware of it, and have they not been for some time? There is no one closer to poverty than teachers, is there?

Miss Hodgins: No, not the sort of poverty we are talking about, with the culturally disadvantaged. I hate to use these terms because they become such cant, but they have not come up against this sort of family before.

The Chairman: But they meet the child every day, no matter where he lives, and they have the problem

daily. We sit here once in a lifetime, and you once a month or so, but these teachers have that problem every day, Who can be closer to it?

Senator McGrand: They do not know the home and recognize them as poor children.

The Chairman: Of course they do. I do not know what teachers you are thinking about, but, surely, after they have been in a class for a month they know every child and they have some idea of every home and background.

Senator McGrand: Let me just remind you that an Indian boy came down here from Manitoulin Island, stayed here all year and went out and drowned himself in the month of March because no one knew that he could not speak English.

The Chairman: I know that example, and that is an unfortunate one. I am talking about the normal school in the sort of community in which I went to school and in which you went to school. Who knows more about the children and something of their homes than the teacher?

Senator Fergusson: I do not think they know much about the home.

The Chairman: They should.

Senator Fournier: They should, because if you are a teacher it is your business to know.

Mr. Goble: There are two major problems here. One problem is that familiarity does not necessarily produce comprehension, and the daily encounter between teacher and pupil may be completely unfruitful, the child may close up and the teacher may not know why. The other problem is one of sheer numbers, and this is truer as you go into situations where teachers are more specialized and meet more children in the course of the day, with less continuing contact. There is no time to explore a child and the nature of the problem of communicating with him. So often the teacher is taking the wrong things for granted and does not even know that he is taking the wrong things for granted, and approaches the child in ways that are normal in the area where he lives, where he has been brought up, but fails to understand why this, to use the fashionable phrase, "turns the child off" instead of obtaining responses. Here it would be of immense value if teachers had resources to turn to, in classes available to the practising teacher for in-service

education, so that he could go to specialists in the areas, for example, of psychology and sociology, and say, "This is the problem I have encountered. What is it? These are the symptoms, what is the disease? What do I do to increase understanding?"

The Chairman: But we have more specialists in the educational field at the teacher level than we have ever had, have we not?

Mr. Goble: Yes, and that could be the beginning of a long debate, which might be a digression.

Specialization, of course, exists in many forms and for many reasons, and many of the areas of specialization have more to do with techniques of instruction than with these very special problems of inter-personal communication and inter-community communication.

The Chairman: Let me ask you one question with respect to what Senator Carter tried to get at, to see if there is an answer to it. In the last ten years at the federal level, the provincial level, and the municipal level we have spent vast sums of money on education. We have really opened the cash box. Did we get results? Was it worth while, or was all that money mispent?

Mr. Goble: The rewards, I believe, have been immense. When we talk about the need for further expenditures let us not overlook the fact that extraordinary progress has been made. The nature of the rewards, of course, may still be beyond our understanding. Many of them are long term in the deepest sense of that phrase, but as improvements have taken place we have become more and more aware of the intractable problems that are still there. Many of the easier ones have been greatly improved, and in many cases solved, but in this process of improvement there has been a greater isolation of the problems that have not moved.

The Chairman: Please define the problems that have moved and the problems that have not moved.

Mr. Goble: There has been a notable increase in the general level of education, both general academic education and vocational education, in all parts of the country. There have been notable improvements in retention in schools. To quote the Toronto area, for example, I believe that in the secondary school system there they have come very close to complete retention, which is a very fine achievement indeed. We have become more aware of the problems of the

indigenous people, for example—the special and very intractable problems of Indian, Metis, and Eskimo communities which, because of their remoteness, have often escaped attention. We have become more clearly aware that the poor themselves in some parts of the country constitute a sub-culture, and almost a separate population which is not benefiting from the general improvements that we have been talking about, and I am referring particularly here, of course, to the urban poor.

This is a point that is perhaps worth making at this time. There is poverty everywhere. Across the country there are pockets of poverty, and some of the worst are in the rural areas. Some of the hardest problems to solve are the poverty problems of remote rural communities. But, in terms of total numbers of people the poor in the cities of Canada far outnumber the total population of the pockets of rural poverty across the country.

The Chairman: What you are saying is what we have discovered, but it is worth hearing repeated.

Mr. Goble: The problem is: What is the problem of the poor in relation to schooling. This is what we have come here to try to answer; not to give statistics. You can get the statistics from all sides, and from agencies that are more able to provide them than we are. What we are suggesting is the problem of the poor, when they are identifiable as a separate element in society and a different kind of people, is that the educational systems generally are attuned to those who are not poor. The things that a teacher takes for granted about the background of a child, and the understanding that the teacher expects a child to have of what he says, are very often geared to those children whose background is not one of poverty.

The Chairman: Just stop there. That is nothing new. The poor did not come on the scene yesterday, and teachers did not come on the scene yesterday. You admit that we have spent endless amounts of money on education. What took us so long to come to that recognition?

Miss Hodgins: I think it is because the solving of one problem led to another problem. This is in answer to Senator Carter's point in regard to keeping the schools open all year. The moment you solve one problem you are faced with other problems. Students used to drop out of school at the end of grade eight, and nobody knew very much about what they had achieved. Could they read? They could probably read well enough to

get by, but that was it. Now they go on to high school. We have people who can judge their reading ability, and we have found that remedial reading is much more necessary than we thought. As soon as we improve our educational system we find we are faced with other problems that we had not anticipated. I think we have made tremendous steps, but we are facing more problems.

The Chairman: Then, tell me why there is 11 per cent illiteracy in this country.

Miss Channon: You have to look at the age distribution.

The Chairman: That is important, but even after the spending of quite considerable sums of money over a period of years we have this amount of illiteracy. Of course, there is more illiteracy in certain age groups, but why 11 per cent. That is a very high percentage for the Western world. When I read that I had to go back to ascertain that I was reading Canadian figures.

Mr. Goble: I think it may help if we remember that we are not talking about a phenomenon that has appeared and has to be explained, but rather the residue of an unsolved problem. The 11 per cent is what remains of what was once a much larger problem. The committee will remember that the concept of universal education above and beyond the most elementary level is in terms of human history quite recent. Until recent years education for all but a select few was regarded as an activity of essential simplicity, and the factors of education and teaching was regarded as an occupation of low skill or no skill. The teacher was a man of low skill and low status. It is only in very recent times . . .

The Chairman: You are talking of long ago. Since when was the teacher considered to be of that status?

Miss Channon: Fifteen years ago in one province a teacher required only grade nine and one or two years more of training.

The Chairman: That happened in Ontario, but at that time we were short of teachers.

Miss Channon: It is only 15 years ago.

The Chairman: But we were facing a crisis, and those teachers were little more than baby sitters. We gave them a short course and brought them in order to get the children off the street. They could teach some-

thing, but they were not really teachers. Let us talk about the people who taught us. We all went to Canadian schools, and teachers were never considered in that light in our day. They were badly paid—I will admit that—but they were also the leaders in the community, and people to look up to. They were never in my memory in the classification you mentioned.

Senator Fergusson: Mr. Chairman, in this money-oriented civilization if they had the status you say they had then why were they not paid more?

The Chairman: Let us not forget, Senator Fergusson, that at that time we were a poor society. We were a poor society almost to the beginning of the war, and there was a different view of most things. Once we recognized ourselves as being something more than a poor society then the teachers began to be well paid. I think my friend, Senator Fournier, thinks that this is due to the union, and I think it is too. It is a wonderful thing that the teachers have been able to bring their salaries up to a certain level, but to think that they were anything less than somebody who counted in the community is beyond me.

Brother Brennan: I think you have to recognize the fact that there are sections of Canada—and I can speak for my own Province of Newfoundland—which until very recent times were so completely isolated that you could not get teachers to go there.

I happen to be the District School Superintendent for a school board centred in Corner Brook extending to the northern peninsula of the island. Up to five or six years ago there was no road, the only access being by boat. Even up to two years ago no certified teacher would go there, because of its isolation.

The Chairman: That is a minority case of 2 or 3 per cent of the total population of Canada. I am referring to the vast majority.

Senator McGrand: Where are the pockets represented by this 10 or 11 per cent?

Mr. Goble: Newfoundland seems to be used as an example more than it deserves, but there are people of 45 years of age and over who are generally poorly educated. About half of that age group are functionally limited. Having once learned to read and write they can sign their names with difficulty. However, they are unable to read books or articles or write other than the shortest and simplest of letters.

This bears out Brother Brennan's statement that it is one place where times and conditions have changed.

Mr. Chairman, you have quoted your own experience and that of the committee. You represent the successes in the system. However, of what percentage of the school population of your day do you believe you are typical? How did the retention rate of the children who went to school in the days when you started grade 1 compare with today? For that matter, has there been no change in the expectation of the industrial society which has developed over the last 20 years in this country? I am speaking of the needs of society in relation to the output of the schools. Has there not been a dramatic increase in the last 15 years in the qualities expected of teachers?

The Chairman: Believe me, during my school years I had great difficulty in finishing in the middle of the class. We were no more successful than others. We represent the normal, rather than the unusual.

Of course education and our approach to it has changed. However, for some reason we have not reached the people who need the results of that change.

Mr. Goble: I agree with you. The problem is that the residual hard core has not been broken. Much that is soluble has been solved, but we are moving closer and closer to the hard core of the intractable problems.

An attempt is made in our brief to illustrate the nature of the people in that hard core.

Senator Fournier: We talk of improvement. Maybe it could be termed rejuvenation. In your opinion what should be refurbished and rejuvenated first, the buildings, the teachers or the system?

Brother Brennan: As far as schools for the poor are concerned, rejuvenation of the actual school plant is important. The teachers are available.

I do not believe that there is anything basically wrong with the system. It is just that it is not working for certain groups within the society it serves.

Re-organization and improvement within the school plant in the areas where the poor live would be of considerable help.

Senator Fournier: Are the school boards receptive to these new methods of teaching?

Father Brennan: It is difficult to speak for them, because they vary. However, by and large they are receptive.

Senator Fournier: This is not a question, but a remark relating to the statement that the federal Government has a fat purse which I condemned in my short lecture.

When you speak that language you are not making any corrections, improving anything nor evading taxation, because whether you put the load on the federal or provincial government it comes out of your pocket, either the left or the right.

To say that the federal Government has plenty of money resulting from taxation does not apply. It all comes from us.

Miss Channon: Our position is that the federal Government is in a position to pay attention to regional disparities, which is not the case with any one region.

The Chairman: You are, of course, aware that the federal Government does make an attempt at equalization, not that I suggest it is perfect.

Senator Carter: We have been told by many witnesses—that if this committee is—to make any contribution at all to the solution of the problem of poverty, our success will depend upon the extent to which we can change public attitudes and commitment on the part of the public to do something about it.

Teachers are obviously in a key position to influence public attitudes with respect to poverty.

What is the Canadian Teachers' Federation doing about this and what do you feel you can and should do?

Miss Hodgins: Could you be a little more specific, senator? In what respect is your question framed? We have gone into this in some depth, discussing poverty, discrimination and other matters.

There are several aspects to the question, including that of the Indians.

Senator Carter: I will enumerate them: there must be a recognition on the part of the public that poverty is a national problem. If it is going to be solved it is not by government or a committee, but by active participation on the part of the public. That means a change in the attitude of the public. There must be a

willingness to do something about this, a change from the apathy of saying we have always had poverty and we will always have it.

We questioned the representatives of the churches with respect to this and now we are questioning the teachers.

Mr. Goble: I have a publication of one of the teachers' associations in Montreal which will give an illustration in answer to your question. This is devoted to a very explicit and detailed description of the problem of differences between the wealthier and the poorer schools, the wealthier communities and poorer communities, and the experience of children in both, well illustrated by pictures. This is typical of the kind of effort that most or all of our associations are making towards public education in the use of their own publications to present these major social problems, with I believe a high degree of objectivity.

Senator Carter: Who sees this publication? It goes only to teachers, does it?

Mr. Goble: Yes.

Miss Hodgins: Teachers have to be educated, too.

Mr. Goble: If I may hazard this remark, teachers are human beings; they belong to families and these sorts of publications get into other hands; they are circulated among families; they are read by parents; they travel fairly widely from the original addressee.

Brother Brennan: I think it is correct to say that in the schools today, particularly at the senior elementary and high school level, there is far more in the nature of discussion, dialogue and so on between teachers and students relating to social problems. It is not nearly as textbook oriented as it was in the past, when the material talked about was what was in the textbook and nothing more. Today there is much more involvement—perhaps at times a little too much involvement—with what is going on outside the school, perhaps to the detriment of order in the school. The fact is that high school students particularly are much more social minded and conscious of social problems than they were before, and credit must be given to the teachers for creating that atmosphere in the schools.

Senator Carter: Do you see any more that they can do, except what you have just mentioned?

Miss Channon: There are so many things.

Senator Carter: Can we not get involved in this crusade among the public?

Miss Channon: One thing that has not been mentioned, of which I have seen a number of fascinating examples recently, is the development by teachers of curricula and textbooks adapted to children who are culturally different. Textbooks have been criticized for not reflecting the life style of, say, Indians in their rural community, in their reservation life, and teachers themselves are working in committees to draw up reading texts that can be used in those situations, and they are putting their resources into this very thing.

Senator Carter: I am thinking in terms of developing a commitment. There has to be a commitment, and it will be costly to tackle the problem, to develop a commitment in the public. You have emphasized in your brief several times the inequality between children from poor families and affluent families, how the poor child goes to school hungry in the first place, has a poor lunch, probably just bread and butter, so he is physically handicapped and not able to pay proper attention; he is poorly dressed, and probably has other deficiencies from home; he feels a little different from others; he is psychologically handicapped; he feels humiliated because he thinks people take notice of his poor dress and so on. The other difference you have mentioned is that poor parents are not involved; there is not sufficient liaison between the parents of poor children and the teacher; there is not the same involvement at the decision-making level. What is your answer to these problems?

Miss Channon: We have suggested that the priority need for the poor is more money so that they can overcome the basic deficiencies in nourishment, housing and clothing, to some degree at least.

The Chairman: I understood the first priority was to provide them with maintenance income, and then move on from there. That is what I understood from the brief.

Senator Carter: I am talking about something else. I noticed that. The basic handicap of the child is when he goes to school, and it has to be corrected before he goes to school. Simply giving more money will not do that. There have to be services and facilities to even up the handicap before the child gets to school, so that he is on an even footing. How do you think that can be done?

Miss Hodgins: One of the recommendations is pre-school education for the child from the poor

community. We feel very strongly that a basic income is a basic need, that part of the trouble with the poor parent and the poor student is psychological; they are pushed around a lot more than people who know their rights and have some money to back them up. When schools are criticized for sending downtown children to technical schools, it is really partly that the parents think their children should go to that sort of school; it is not entirely a matter of locational direction. There are many problems with people on welfare that come out strongly in the school system, where they are naturally on the defensive. They think their children are being discriminated against, whether they are or whether they are not. One has to consider the whole psychology, as you are very well aware from what you have heard, of welfare people and poor people who are disadvantaged.

Senator Carter: What would you say is the greatest single need that should be met in dealing with education and poverty?

Miss Hodgins: My answer is the same: some money for the parents to give them a decent independent standard of living.

Senator Fournier: How do you know the parents would spend it properly?

Miss Hodgins: I do not know whether I spend my money properly.

Brother Brennan: How do you know the rich people spend their money properly?

Senator Quart: That is right.

Senator McGrand: It is hard to organize home and school organizations, and even in the better off communities not much attention is paid to them. Do you get any response to home and school organizations from poor areas and poor parents in poor areas?

Miss Hodgins: Yes, but again it is a greater problem there to get the parent associations organized and working on a basis acceptable to them as well as to the school.

Brother Brennan: Related to it, of course, is the fact that generally speaking in that type of school there is a greater turnover of teachers . . .

Miss Hodgins: And parents.

Brother Brennan: And a greater turnover of parents, yes, which makes it more difficult to establish the liaison that you want. There is more mobility in that type of area.

Miss Channon: It is recognized that the home and school associations do not necessarily work, and there are other much more imaginative ways of involving parents in the school. These are being used, and hopefully will expand.

The Chairman: I thought I would call to the attention of the committee something that I found significant. In the course of our discussion we have talked about welfare being a right, that we had to meet the need. We have been having some difficulty to get that across to some of the provinces. Mr. Yaremko, the Minister of Social and Family Services, speaking in Brockville last night, made it very clear that welfare is a legal right, and that people on welfare have that right.

Senator Carter: That is wonderful.

The Chairman: To that extent we have made some progress, have we not, in Canada?

Senator Quart: I have spent my entire weekend, not reading your brief, but at graduations, Friday and Saturday and Monday where education was discussed in all its aspects afterwards at different parties. You mentioned, Miss Channon, that the poor people drop out because of their clothing, and so on. In my time, the private and public school children wore uniforms. I know there is probably a great controversy about this, but there does seem to be an advantage for the poorer child if he could be supplied with a uniform by the welfare organization without having the uniform brought to the class and the teacher saying, "This is yours, Mary Jane." or "This is yours, Joseph."

As an official Commissioner of Girl Guides for years, I am sure of what I am saying that there is a difference between Guide companies in the poorer sections where many times the uniforms were supplied by the main association. It would have been a shame if these Girl Guides and Boy Scouts had attended meetings in their ordinary clothing. Frequently friendships were formed when they wore the same uniform. They were not self-conscious about what they were wearing. Would it be possible to do this today in schools?

Miss Hodgins: This is something which has been discussed many times. I feel, as you do, that it would

solve many problems. I personally think that the uniforms they are using in some private schools are quite attractive. The idea was not accepted by the parents when it was proposed in the secondary schools. It would save parents all kinds of money but the proposal is always turned down. I don't know why this is so. Possibly they are self-conscious and do not want their children in uniforms.

Senator Fergusson: It is done in many countries besides Canada. In January I visited one of the Caribbean countries and every schoolchild had the same uniform. They wore different colours for different schools. You could not tell one child from the other, whether poor or not.

Brother Brennan: Strangely enough in some countries it is the students themselves who object to the uniforms being taken away.

Senator Quart: Then the parents go along with the idea.

The Chairman: Miss Hodgins has answered the question, that it is unacceptable.

Senator Quart: I always ask a revolutionary question.

The Chairman: If there are no further questions, I would like to say on behalf of the committee, sir, and to all of you, that we consider your brief to be one of the outstanding briefs. It is thorough, logical and constructive. It was well presented here this morning. It will be most helpful to us.

I am still of the view that you see poverty at first hand and meet it daily face to face. The problem is not going to disappear very quickly. We still have a great deal more work to do, and I am sure all members of the committee feel that the teachers can concern themselves more publicly with the problem of poverty and bring to bear the need for the community to concern itself with poverty. We hope that we will get the backing of the community, not only in realizing that there is poverty but that poverty is next door—the neighbour, the friend, the relative. We must all join in and help, otherwise we are not going to get very far.

On behalf of the committee I assure you that you have made a worthwhile contribution. I presume that is the purpose of your going to great lengths to assemble such an able group and have them so well prepared.

Brother Brennan: Thank you, Mr. Chairman. On behalf of our group, I wish to thank you and the other members of your committee.

The Chairman: Honourable senators, we have before us now the submission of the Canadian Council for Research and Education. The council is represented by Mr. Fred E. Withworth, Director.

Mr. Fred E. Whitworth, Director, Canadian Council for Research and Education: Mr. Chairman and honourable senators, we appreciate very much the opportunity which has been given to us to appear before you this morning. We feel that one of the most important things in connection with the work of the committee is education. We also have the feeling that education can be improved and if it is to be improved certainly we need research in education.

I would like to add that when we speak of education we are talking about education as a continuous thing from cradle to grave. This is extremely important, because what happens to the child before he goes to school, according to the Coleman studies and other studies in the United States is equally important. At this particular time I will not follow the brief but merely talk about some of the things that are related to the brief and which you can look at afterwards. It would appear that there was a great deal of interest in North America, but particularly in the United States, in the 1960s, and a number of people had the idea that they were going to solve this problem of the disadvantaged child. At the present time there is a good deal of disillusionment. They have decided that things did not work out the way they had planned. I think they realize now, the same as most of us do, that this is a tremendously broad and complex subject, that really what we are setting out to do, in a good many cases, when the child comes to school, is to reverse the negative impact, and there may be a number of things. For example, we might be particularly concerned with economic deprivation. In other words, the child is a problem because the economic situation was such that he did not have a chance to develop correctly. It may be social insulation. These two may be separate or they may be tied in together; and this may be psychological.

I heard this morning, when the other brief was being presented, to the effect that a person must feel important, that he must feel wanted, that he must feel that he belongs and if he does not the chances are that there will be alienation, that he will object to what is going on and he will defend himself in whatever way he thinks is possible.

Also, you are up against the question of ethnic discrimination. I mention these, I suppose, to tell you what you already know probably better than I do, that is, that a deprived child may be deprived because of a variety of effects. It is not a nice simple question that requires a pat answer. We are dealing with a heterogeneous population, that have different backgrounds, that have different opportunities, that operate in different social milieux, whose patterns of thought are different and so are their value systems. This was mentioned previously.

What I want to talk about is research that has been done and research that should be done. I have to admit at the present time none of us know the answers to these, but we think we have come some way. Much of the research which has been done relates to the study of population characteristics. In other words, if you are concerned with the Indians who belong in this category, then you would find out as much as you could about their characteristics. The same would be equally true of the people living in a city centre or in the poorer suburbs or in any place where you find groups of these.

The research work has been concerned, in a good many cases, with performances. Here we have to admit that the tests and the devices that we have for testing these, leave a lot to be desired. It is true that we can use intelligence and performance tests and a number of aptitude tests and things like this, but we still have the feeling that there are a lot of areas that we have not tested at all.

Another possibility, of course, is to be concerned with life conditions and to relate life conditions to what you find so far as it concerns the children's entrance at school.

One of the things that bothers me here is that so much of the research ends up by generalizing, saying that on the average we find this. We are not just concerned with the average, but we are concerned with the individual. In research we need a good deal more case studies and a good deal more emphasis on this sort of thing. This obviously gets us into this whole question of heredity against environment, which has been threshed out year after year. We talked about it when I first went to university and we are still talking about it. Unfortunately too many people take a very firm stand for the one or the other, whereas it would appear that the interactionist position is the only one that is tenable. If you want me to amplify this later, I might do it. I am referring to farmers growing wheat in the west, or to cattle breeders.

On this whole question of heredity environment, a lot of people at the present time say that heredity is of little importance, that environment determines largely your success, in fact, to the point where we can almost forget about heredity. I do not think we are going to solve any problem that way, for the simple reason that you cannot solve it in any other area and we have to look at both. We are concerned with the sort of heredity a person has and then what we can do with it.

To suggest, for example, that an Eskimo has the same heredity as the negro just does not seem to make too much sense. This is not a question of superiority, it is merely a question of difference. We could go into it but it would take hours and hours to discuss it beyond that.

Our concern, however, is essentially with what the environment can do, once we have paid attention to the other. I think it is because of this, that we are trying to do certain things in various schools, in various clinics and elsewhere.

Again we have to keep in mind that we probably have not paid enough attention to the very young, that plasticity of intellectual behaviour seems to slow down about age 3. In other words, you can do a whale of a lot for youngsters from about a few weeks on until they are around three years of age, and from that time on nobody is quite sure just how much can be done. Certainly, by the time they enter school, physically they are well on their way to adulthood, believe it or not, and mentally a good many of their minds set, a good deal of their development as far as curiosity and a hundred and one other things, has already been developed. In other words, Bloom who has worked intensively on this in the United States, says that we are likely to have about half of the mental growth by the age of three or a little later and physically the same is more or less true. This emphasizes the importance of the pre-school years.

I would like to digress here just for a moment to talk about the Eskimos. Did any honourable senators see the film which was made of the Eskimos and their life before they were given houses, when they were living in the igloo? If you have had the opportunity of seeing that film, I think you will agree with me that it was excellent. Considering what the Eskimo people had, they were doing a wonderful job with their children. They took a great deal of interest in them; the children were happy; the parents spent time talking to their children and playing with them; they gave their children as much as they had to give and they made them feel wanted. Outside the children

were playing and, I would say, developing as much as could be expected in their environment.

I had to compare that in my own mind with some of the ascetic situations in which you might find a person making \$25,000 a year; he brings in a nurse or he has read some psychology books—and my background is psychology—and he follows the suggestion that what he should do is leave the child in the crib and not bother him but just let him grow like a vegetable. In some cases the children will stare at a stark white ceiling for a long time, and everything will be nice and white and all the rest of it.

If I had the choice I would give my youngsters to the Eskimos and let them bring them up in preference to that sort of thing.

What I am really saying is that there is some evidence at the present time that what happens to a child starting from the age of two weeks and less is extremely important and may have some effect on what happens to the child when he goes to school. Family life is extremely important, and, frankly, we are not going to get anywhere if we depend on the school to do it or go it alone.

Early childhood life is so extremely important that continuous education to provide a good background for people in the family is exceptionally important. Certainly, the evidence we have had from research so indicates. If there is not a good pattern of child rearing, there will not be the results we should like to see.

Probably you are all familiar with the book *Mother and Child*. There should be a supplement to that suggesting some of the things we have learned from the studies that have been made so far. The mother, or father, or both, should provide a stimulating environment. Environment can be made stimulating by the use of toys and so on; and that should be started with the children when they are very young.

One of the advantages the middle-class child has is in the modern media, and perhaps the best thing we could do would be to provide all families with a television, in spite of the fact that some of the programs are terrible.

The Chairman: Welfare has become civilized to the point where television is accepted as radio was in another day: no home is complete without it.

Mr. Whitworth: In respect of schooling, we have found from the Newstart Program that you are no

going to solve all the problems by any means by having a six-week preschool crash course; or by increasing the number of personnel involved with the teachers alone; or by having a modest shift in curriculum emphasis; you may want to have all of these things but no one of them is going to be any means adequate.

I am very much intrigued at the present time by at least two people in Newfoundland who are attempting to use drama for the disadvantaged. They are using drama to try to get people out of their shells, as it were. I do not know how well it is going to work.

I think the recommendations in the brief speak for themselves.

The Chairman: We will begin the questions now.

Senator Fournier: Mr. Whitworth, what is the Canadian Council for Research in Education? How many employees do you have? Where are the headquarters located? And who pays you?

Mr. Whitworth: We have our headquarters in Ottawa, at 265 Elgin Street. We employ seven people. Most of our money comes from the provincial departments of education. In addition to that we receive money from such organizations as the Canadian Teachers' Federation and the Canadian Education Association, the AUCC and, in fact, most of the national educational associations as well as a number of the provincial associations. The bulk of our operating money comes from the provinces.

Senator Fournier: Do you pass your research on to the various departments of education?

Mr. Whitworth: Our function is not to undertake research at the present time, because we do not have the staff or the money for doing so. We do put out publications. For example, we put out the Canadian Index of Education. We are now undertaking a survey of research and development in Canada which will be published this fall. We work with such organizations as OISC and the Alberta Human Resources Research Council.

Senator Fournier: You are not solely related to the departments of education, then.

Mr. Whitworth: No. Actually, we are as interested in the newer media at the present time as in anything else.

Senator Fournier: What is the history behind your organization? How did it start?

Mr. Whitworth: The Canadian Teachers' Federation and the Canadian Education Association must take credit for the beginning of it; they met informally to compare notes and to compare what they were doing, and they invited others to join them; it then was decided that there should be an association to promote educational research.

Senator Fournier: Were you a school teacher formerly?

Mr. Whitworth: I have taught in everything from one-room schools to universities.

Senator Fournier: That is good enough for me. Thank you, sir.

The Chairman: Senator, if you look at Mr. Whitworth's curriculum vitae, you will see that it is a very distinguished person.

Senator Inman: Mr. Whitworth, in your brief you speak of middle-class values of teachers and the general middle-class values or orientation of the schools. What do you mean by middle-class values and how do you relate that to the situation of the disadvantaged?

Mr. Whitworth: Senator, the things that you consider worthwhile; the way you look at eating, sleeping, drinking; the associations you make; all of these things form part of your way of life. The suggestion is that, according to these patterns, people do fit into groups—whether those groups be middle-class or lower-class. They form groups because of what goes to make up their pattern of thinking and their way of reacting and so on. These are the things that determine the values. It is true, however, that values can change from one generation to the next, as we well know at the present time.

Senator Inman: Mr. Whitworth, referring to your paragraphs 10 and 11, why should children from disadvantaged families feel inferior at school? Are they treated any differently? Are they made to feel different?

Mr. Whitworth: If I were to answer that question simply yes or no, I would be doing what I say I do not want to do; I would be generalizing. In a fair number of cases the answer is yes; but it is not necessarily so.

For example, as we all know, many successful people have been successful only because they grew up in poor families; they got the necessary drive there. We are all fully aware of that, but again we are generalizing and we are saying that just on the average this happens.

Senator Inman: I have another question I would like to ask. Do you think the teacher could have a lot of bearing on the ambition of a child from a poor family if she gave him particular encouragement and imbued him with a sense of ambition?

Mr. Whitworth: I think the only answer I can make to that is that we all know teachers who have done that. And most of us when we did teach had the feeling that we did help some youngsters and gave them ambition, but the thing that has always bothered me is this; if I had 30 youngsters in a class, I was a little bit worried because while I thought I was helping 20, I was not too sure what I was doing for the other 10. This is the reason why some of us favour team teaching so that they would come in contact with a number of people.

Senator Inman: Do you think that the teacher training period should be extended? Do you think that generally speaking the period of teacher training should be made longer?

Mr. Whitworth: I think briefly we have to suggest that in western Canada the teacher training is all in the university and extends over a period of about four to five years, but in a good many other places it is less than one year. It is in fact one academic year. Now if you are asking me whether we can take a young person who has nothing but grade 12 or grade 13, and take them for one year and then turn out a professional teacher, I would say this is just impossible. And if you ask them what they do, they say "we do the best we can in the time we have," and therefore I think there is need for in-service training afterwards and a great deal of it.

Senator Fournier: Nobody comes out as a professional teacher after one year.

Mr. Whitworth: No, we do not say that.

Senator Inman: In paragraph 4 you say that it is not entirely clear what you are trying to say with regard to the distribution of wealth in society in the poverty problem. What is your position on this?

Mr. Whitworth: I am sorry, I do not see the point you are referring to.

Senator Inman: It is on the first page, and I guess it is paragraph 3. It is the fourth down on the page.

Mr. Whitworth: Well, we are dealing—I still have not found the sentence to which you are referring.

The Chairman: Starting with the words "that there be a grant structure provided . . ."

Senator Inman: That is it.

Mr. Whitworth: That is dealing with the grants structure. The recommendation here is that there should be a grant structure provided, and that these would be available for people conducting a variety of mission-oriented research projects, and since if you made money available almost everybody would want it, I would suggest that there should be some consideration as to the likelihood of this research project making a contribution. In other words, if a person really comes up with an idea that they can make a better test, or something like this, this is good; but if they come along and have an idea that will not pass muster so far as the people who know something of the subject are concerned, then I am suggesting that this would be a waste of money. Actually this has happened too often in the United States, and I was basing this on that fact.

Senator Inman: Then referring to the same page, you speak of different programs. How much research have you been doing on these programs you are suggesting here, (a) and particularly (b).

Mr. Whitworth: You mean how much research has been done so far?

Senator Inman: Yes.

Mr. Whitworth: Very little either in Canada or in the United States. This is rather unfortunate because they have spent millions of dollars in this area down there, and yet when you ask me to name a specific case where they actually came up with something that we could recommend, based on research, I find there is still a lot of room for them to change. Part of the trouble would seem to be that we have got into a rut, and it is very difficult to get out of it, and if you do get out of it, there is no point in getting out of it unless you get into something else that is better. I think we really need a number of pilot projects to find out whether or not some of the suggestions that have been made are worth following through.

Senator Inman: Do you intend to continue following on?

Mr. Whitworth: Well, we would be very happy to do so if we can find money for people in research. We would do our best not only to persuade them to do it, but to help them to design a particular experiment.

Senator Carter: I would like to clarify some of the answers you gave to Senator Fournier. How long have you been in existence as a body?

Mr. Whitworth: As a formal body since about 1962.

Senator Carter: And do you do active research? Do you carry on active research or do you sponsor projects for somebody else?

Mr. Whitworth: We do not carry on active research unless you count surveys and participation in somebody else's research.

Senator Carter: Do you sponsor projects for other bodies then?

Mr. Whitworth: We do not have any money for research.

Senator Carter: You do not have any money for research at all?

Mr. Whitworth: Well, this is a true statement. The only thing we can do at times is find sources for other people.

Senator Carter: Can you tell us then what bodies are carrying on educational research in Canada?

Mr. Whitworth: First of all I would mention the Ontario Institute for Studies in Education, which is by far the largest, and then there is the Alberta Human Resources Research Council. There are all of the faculties of education, but the amount of research they are doing is rather small. If you are interested in the amounts being spent on research in Canada . . .

Senator Carter: I would like to know what is being spent in Canada on educational research as far as you can give it.

Mr. Whitworth: I think the best indication I can give is that we are spending .2 per cent of the educational budget, and almost half of that is being spent in Ontario.

The Chairman: That is .2 per cent of \$6 billion which is the educational budget. And half of that is being spent in Ontario.

Senator Carter: Who determines the priorities of the projects? Do you have a say in that?

Mr. Whitworth: Well, occasionally. It depends. You see, there is wide variety of sources for the money. A fair amount of this money, or at least a certain amount goes towards degrees, and therefore a person has to get a project of the right size and have this accepted. In the Ontario Institute for Studies in Education, for example, the head of each department there determines what they are going to do, and so long as it is passed by the Council, the money is provided. The federal Department of Manpower also provides some money, and they say that they will provide money for research within a limited area. The same is true of a number of other bodies.

Senator Carter: So you have a number of bodies each going its own way?

Mr. Whitworth: Unfortunately there is truth in that.

Senator Carter: That is not the most efficient way of doing research. If you yourself were to draw up a list of priorities for research, what would be on your list?

Mr. Whitworth: Actually, this is going to take quite a long time.

Senator Carter: Give us the first five.

Mr. Whitworth: I will give you a few. Certainly, poverty is one; the use of modern media is another; work in teacher training is another; to provide a lot of money for private studies in order to find better methods of educating youngsters, whether it is through curricula or a lot of other things. I could go on, but really we have the feeling that the first thing we need is to get far more co-operation among the bodies doing research so that we can provide enough money for what we call mission-oriented research.

What I am really saying is that there is certain basic research, and this basic research should be carried on in the universities. However, in addition to that, there is all the mission-oriented research which can be a combined affair, and these should be major projects, that no one can do individually. We actually do hope to put out a statement that was drawn up at a Stanley House Conference a year ago, as soon as we can get

100 per cent agreement, but I think we are pretty well at the stage where it will be issued this spring, which will suggest a policy for research development in education.

Senator Carter: I take it you are not a co-ordinating body. Are you a clearing house for the distribution or dissemination of research?

Mr. Whitworth: We do some of both. We are not set up yet and we do not have, as far as educational research is concerned, a communications system which is adequate. If we did, then we or somebody else could act as a centre for that.

Senator Carter: Can you tell the committee what has been accomplished, what kind of results have come about from Canadian research in education?

Mr. Whitworth: This is always a good question. It is always a difficult question, because, in the first place, it is almost impossible to separate the research in the United States and other countries from research in Canada. But, certainly, there has been a great deal more emphasis on individual development. The methods have changed a good deal. There has been greater use of modern media, but not nearly as much as there should be. There is greater emphasis on concern for special cases or atypical children, or whatever you want to call them. Research has contributed, but the way research very often works is that there is a problem. The research people are asked for opinions and conduct research and bring back suggestions. Then the decision is one that is made in the light of the situation. I did not say political, although it may be political, but what I am suggesting is that it is a practical situation taking into consideration all the factors, such as cost and so on.

Senator Carter: You mentioned that if you were to draw up a list you would have poverty on that list as one of the first things. What approaches or what type of projects would you carry out with respect to poverty?

Mr. Whitworth: In the first place, I would have to suggest that poverty is related to individual differences. In reality, you would be concentrating on providing for people with individual differences. One of these large groups would be the people affected by poverty, but many of the people affected by poverty are no different from people in deprived homes of the wealthy.

Senator Carter: But in reply to Senator Inman you mentioned values.

Mr. Whitworth: Yes.

Senator Carter: I did not quite follow your answer but I take it what you were saying was that our whole educational system—our organization of grades, curricula, texts, visual aids, everything—is based on certain values, and those are the values of the affluent society. They are geared to those values, rather than the values you find in the low-income groups.

Mr. Whitworth: To a large extent this is true. I think there is some attempt made now to provide for some special categories is such as Indians and Eskimos. There is very little for people of different ethnic origins, but in reality we have the French and English and there is much in common between those and they are as you described.

Senator Carter: I have many questions, but I do not know if I have time.

The Chairman: We will pass on and see what time we have left. Senator McGrand?

Senator McGrand: Really, we have not much time. This field is so big and I am so interested in it, that I am afraid I would rather go down and have a talk with you some day.

Mr. Whitworth: That would be a pleasure.

Senator McGrand: But I am going to ask you this: What is the purpose of your research? What do you expect to find in educational research? Education, after all, is the training of people to live in a society composed of other human beings and the sentient life around, and to live with as little disturbance and as much co-operation as possible. You mention the Eskimos. You have said you would almost prefer to leave a child with an Eskimo than have it subjected to some of the sophisticated training the upper class gives its children.

Mr. Whitworth: No, I said I would rather leave them with a good Eskimo family than with a poor upper class one.

Senator McGrand: I am thinking of the poor upper class one. Going back to this question of what happens in the poor areas. It is pretty well accepted that people fight for territory. They want space, elbow room, and

supply of food, and so on. That is probably the basis of all this competition that goes on between people. In our well-to-do communities it is rather sophisticated. If a child brings home the toy of a neighbour's child you say, "You had better take it back. That is not polite," but in the poor district you very often find the idea of "Finders are keepers." There is more primitiveness in the poor community than in the sophisticated community. This is such a big field.

Mr. Whitworth: This is an exceptionally big field, but may I go back to your first question? You asked what we hope to accomplish by educational research, or why we bother with it. I would like to divide it into two areas. First, there is the theoretical research in which we want to add to our store of knowledge so that we will know, for example, when we should start teaching certain children certain things, how their memory works, what is the best way to give them things they will remember, what is the best way to stimulate them to thinking. This is all theoretical, but this can be related to the practical, and the practical seems to me to relate to many of these things you were talking about. In other words, we do not know whether there is any reason why we should provide 12 or 13 years—both cannot be right—of schooling, whereas the U.S.S.R. provides 10 for elementary and secondary.

Somebody must be wiser than somebody else. We do not know what children are learning outside of school today. We used to think we did. We do not know how much they pick up from television, and so on, so we do not know what we should take for granted and with what sort of research. My daughter happens to be teaching a disadvantaged and emotional class, and I assure you that research should be able to tell her what she should do. I compare her with another relative of mine who is teaching an accelerated class.

Senator McGrand: The field is so big.

Mr. Whitworth: Yes.

Senator McGrand: You said that every house should have a television set, but I suggest that there should be suitable programs for the family on television. Families should not have television sets to enable them to look at crime and violence.

Senator Quart: Dr. Whitworth, first of all, what membership have you in the Canadian Council for Research in Education. I did hear Professor Joly speak about it at one time.

Mr. Whitworth: Professor Joly is our president.

Senator Quart: Yes.

Mr. Whitworth: Our membership is limited at the present time to association. We have another daughter association, the Canadian Educational Researchers Association.

Senator Quart: You revenue is from the grants you received?

Mr. Whitworth: Yes, that is right, or from the member bodies.

Senator Quart: Before I ask my question I should like to say that I thoroughly agree with you when you say that you would prefer your child to be with the Eskimos rather than with an incompetent teacher. With 23 grandchildren I feel that love and security are most important to a child in its formative years.

In paragraph XXVII you say:

The situation has changed drastically. In Quebec, for example, after the recent reorganization of the Department the first report of the Minister read: "The objective of the Quebec policy with regard to education is to assure to each one a maximum education of which he is capable and which corresponds both to his aptitude and ambitions, regardless of his state of fortune or the place of residence of his family."

And then you say that there are three demands that the schools must be concerned with, and one to them is the awakening of the child to cultural values. Are you referring there to the cultural values of the ethnic group, French or English, or what?

Mr. Whitworth: Yes, not to any special ones but the ones that are accepted by the community.

Senator Quart: Yes, and particularly the French and English ones, I suppose.

Mr. Whitworth: Yes.

Senator Quart: The second demand you mention is that of helping the child to adjust normally to his environment. Are you referring there to the English child in a French community, and vice versa, although in Quebec it would be principally the English child in the French community? Does this mean that you have to help him adjust himself to the community?

Mr. Whitworth: Yes, but of course, we have become acutely conscious of our physical environment at the present time, and I imagine they have included this in their thinking as well.

Senator Quart: I read the headlines only very quickly, but it seems that the education bill in Quebec will be delayed for a while for further study. However, a tremendous number of French Canadian families are opting for English training.

Senator Carter: We were talking this morning with the Canadian Teachers' Federation about schools and equipment. Is it your personal opinion that we are getting around to placing too much emphasis on equipment and facilities, and not enough on the teachers?

Mr. Whitworth: We are doing two things as far as equipment and facilities are concerned. We are making rather a lot of changes that will provide a whole new environment, and I think that if we can handle this then it is exceptionally good. If you are asking me a question as to whether we are spending too much money on providing establishments that are too posh, and things like this, then I am not sure that I want to answer it in any other way than to say that certainly we want to provide a decent environment in which the youngsters may grow up. Apart from that I think we should have to justify the sort of buildings we are erecting. We could save a great deal of money by having more of the same rather than allowing every city to have one of a kind. There are many places where there can be savings. I do not know whether this answers your question entirely or not, but to get back to the question of teaching I will say that we have become very much interested in the learning media, not as a substitute for the teacher but in the hope that the teacher will use it as a tool. If the teacher will use it as a tool for doing much of his record keeping and things like that, then he will be able to spend more time with the student as an individual.

Senator Carter: You said that you keep in touch with research going on in the United States.

Mr. Whitworth: Yes.

Senator Carter: Last night in one of the Ottawa papers—I believe it was the *Journal*—I read an article which described something new so far as I am concerned. It is headed "Performance Contract guarantees Education". This article tells the story of a

ninth grader who started school last year with skills in reading and arithmetic expected of a third grader. During that year this organization brought her practically up to standard, and the family pays for results. If the pupil went from grade three to grade four the family pays a certain amount, and if the pupil went from grade three to grade six then the family would pay a certain amount more. Are you familiar with this?

Mr. Whitworth: I am familiar with the sort of thing you are talking about because there are three or four firms in the United States that are doing what you have mentioned. I did not read that article. I am still open to question. I am a bit skeptical so far, but if you are asking me whether we can increase the productivity of our schools then I will say that this is one of the functions of research in education.

Senator Carter: Yes, this comes back to the matter of research, and I wanted to lay a foundation. We have not the time to pursue it now, but is not this an area with which research should be concerned? We are spending now twice as much as we did ten years ago.

Mr. Whitworth: We are holding a conference with the Alberta Human Resources Research Council in Banff in late October, I expect, and one of the things that are going to be discussed is cost benefits. We do not interpret this quite as narrowly as some economist do, but we are concerned about what it costs us and what we are getting. When we consider the benefits we hope we will take into consideration all of the good by-products as well as have a concern for some of the bad side effects.

Senator Fournier: Did you say during your remarks that there is an organization known as the Canadian Foundation for Researchers in Education?

Mr. Whitworth: There is the Canadian Educational Research Association, which is really a data organization of our association.

Senator Fournier: I am still confused about this organization. Why do you have so many? Why do you people not work together, save money and get somewhere instead of working all apart in your own little private rooms secretly?

Mr. Whitworth: There is only one answer to that. I agree with you that this would be a sensible idea. I hope it will come about, but it was not possible at the

time. The reason is expediency. You do what you can with a situation.

Senator Fournier: Will it ever be possible?

Mr. Whitworth: I am optimistic enough to think that it will be. The situation has changed to the point where it will be possible. We do actually hold a big conference with them every year and meet frequently. It is more a matter of formality now, but I assure you that at one time it was one of personalities.

Senator Fournier: We were discussing money spent for equipment and buildings. I am a former vocational teacher and there is a difference between academic and vocational teachers.

If you buy a \$100,000 computer or \$100,000 worth of typewriters, naturally you want the best. However, when training a motor mechanic, plumber or electrician we should dispense with buildings of marble and elaborate furnishing. A mechanic should be trained in the environment of a garage. There is nothing worse than training a young man in a marble building under beautiful conditions in a trade which calls upon him to work in a shed. The contrast is too great.

We have over expanded in the vocational schools, building fancy schools in rural areas where possibly children live in log cabins. They go from those conditions to a school with fine draperies, hardwood floors and tiles and do not feel like returning home at night.

Senator Quart: Has your Canadian council for research in education done anything in research of perceptual impediment, which is seemingly the great question of the day?

There are so many of these children in different classes suffering from this and the teachers do not recognize it very quickly. I know that some doctors in Montreal are very worried about this.

Mr. Whitworth: The Council for Exceptional Children is the only organization in Canada that has made a contribution along those lines. They have spent money and time, but have by no means solved problems.

Senator Quart: Is there not a camp somewhere in Ontario which provides summer sessions for these children who are very bright but may have a mental block in a subject such as mathematics and do not know why?

I think there are more of them than people realize. The child is called stupid, but it is caused by this mental block.

Mr. Whitworth: The work in Montreal is probably the best that has been done in Canada. There is good work done elsewhere, but more in Montreal.

Some children possess an I.Q. of 130 but have a block in mathematics, for instance.

The Chairman: Who carries this out in Montreal?

Mr. Whitworth: I cannot remember the name.

The Chairman: Is it a private institution?

Mr. Whitworth: No, it is in connection with the University of Montreal and McGill University.

The Chairman: It is not the government?

Mr. Whitworth: No, it is the university.

The Chairman: It is at the research level in the universities.

Mr. Whitworth: Yes.

The Chairman: When you ascertain the name of the organization will you please call Mr. Askwith?

Senator Quart: I understand Stanstead was recommended. It is not subsidized very much and it means \$3,000 a year for a student with this particular impediment. They do have other students.

The Chairman: Mr. Whitworth, on behalf of the committee I wish to thank you for presenting a very thoughtful brief in research as to theory and practice. You have admitted the limitations that you suffer due to lack of facilities and broad understanding throughout the educational community.

Speaking for the committee I can tell you that we consider research to be most important in order to provide guides from time to time, or at least experiences that would point to the way.

True, we have not done as much as we thought we might from an educational point of view over the last ten years. I do not know why and I do not think you know. However, at least you are trying and we hope that some of the information that you have passed on to us today, together with that of the other educa-

tional groups, will be helpful in arriving at a conclusion as to how we can reach these young people in a better way than we do at present.

Will you tell us very briefly how you would go about solving the problems we are facing?

Mr. Whitworth: In the first place I am not an economist.

The Chairman: Disregard the economics.

Mr. Whitworth: There is need for a national director in this whole field of education related to poverty. He has to be an exceptionally good administrator and should be advised by a professional body of educators, psychologists and sociologists in addition to those who are interested in this. Funds will have to be provided to conduct research.

One of the arguments for research is that it is very much cheaper to conduct research to find out whether something works than to introduce it on a large scale,

The Chairman: But the United States government has a man named Allen who is a top educationalist and is doing exactly what you suggest we do here.

They have a greater percentage of poverty than we have.

Senator Carter: You said that we are spending .02 per cent in Canada.

Mr. Whitworth: I said .02 per cent of the amount spent on education is devoted to research.

Senator Carter: Could you quote comparable percentages for other countries such as the United States, Britain and Sweden?

Mr. Whitworth: The comparable percentage for the United States varies from .3 to .5. The highest is one-half of one per cent. We have been using .5 per cent for the United States. I can give you a few others, but not offhand. Sweden is the highest I know, and they are planning on moving theirs up. I will send you any figures that I have.

The Chairman: Is that satisfactory?

Senator Carter: Yes, thank you.

The Chairman: I said the United States are trying exactly what you had in mind, without any success.

Mr. Whitworth: With some degree of success, and I think this is the most we could expect.

The Chairman: Thank you very much.

The committee adjourned.

APPENDIX "A"

CANADIAN TEACHERS' FEDERATION

Brief on

POVERTY AND PUBLIC EDUCATION
IN CANADA

Presented to the

SPECIAL SENATE COMMITTEE ON POVERTY

June 2, 1970

320 Queen Street
Ottawa 4, Ontario

HIGHLIGHTS OF THE BRIEF

This brief seeks to establish some workable definition of "the poor" in Canadian society and to indicate the subgroups within this general category with which public education is most concerned. Attempts are made to outline the potential of education for promoting the economic well-being of Canadians. It is concluded that education may, under certain circumstances, be a potent force in the eradication of poverty and should therefore receive even higher priority.

The brief then discusses the meaning of equality of educational opportunity and questions whether the children of the poor enjoy facilities and programs which are even as good as those enjoyed by the more affluent. It is concluded that the poor often get the poorer schools, programs and teachers, rather than the special and superior programs which they appear to require. These inequities tend to be compounded by regional inequalities in ability to finance education.

Throughout the brief particular emphasis is placed on the severe educational problems of the Indians, Eskimos, Metis and Negroes of Canada. While they often suffer the general problems associated with poverty, they have additional problems resulting from cultural differences. In general, it is suggested that the urban poor constitute the largest problem for the schools, but the native peoples, urban or rural, and the Negroes, the most intractable problem.

The Federation makes seventeen recommendations concerned with the alleviation of poverty in Canada, with particular emphasis on changes required in education. A guaranteed minimum income is recommended as an immediate necessity while longer-term remedies are being sought. It is pointed out that only the federal government is in a position to reduce regional inequalities in education by providing financial support to those areas where tax-paying ability is low. It is further recommended that resources for education be so distributed as to bring to disadvantaged children the special educational programs and facilities they need. In particular, renovation and/or replacement of substandard schools is recommended, along with the institution of kindergartens and preschool programs.

The brief also stresses the necessity of involving parents from low-income sectors of society both in the formal educational decision-making processes and in the local school itself. Also stressed is the necessity of promoting respect for the poor, particularly the native Canadians, through removing derogatory references in textbooks and substituting accurate information. Finally, some recommendations are made regarding the special training requirements of teachers of the poor.

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PREAMBLE

1. This brief is presented by the Canadian Teachers' Federation on behalf of its 13 member organizations, which represent some 200,000 teachers in the ten provinces and the territories.

2. The teachers of Canada have not suddenly discovered poverty, have not suddenly noticed that there are inequalities and discrimination in Canadian society and elsewhere. Virtually since its founding in 1920 the Canadian Teachers' Federation has devoted a large proportion of its resources to studying and attempting to reduce educational inequalities. In Canada, the Federation has repeatedly focussed attention on the glaring regional disparities that exist in educational opportunity and brought these to the notice of the federal government. Abroad, the Federation has provided a program called Project Overseas, through which Canadian teachers offer summer in-service training courses for teachers in a number of African, Asian and Caribbean countries.

3. Since the relationship of poverty and public education is no new subject for teachers, about one-quarter of the Federation's recorded statements of policy are fairly directly related to aspects of poverty. These policy resolutions, broadly grouped, deal with (a) the basic rights of the individual student and teacher, (b) needed changes in the organization and financing of education if greater equality of opportunity is to be realized, (c) the distribution of income and (d) special programs of education needed to assist groups suffering particularly serious problems of discrimination or disadvantage. The specific items of policy will be referred to throughout the course of this brief.

4. Statements of policy alone often lack the vitality and immediacy of daily life. To restore vigour to its policies on poverty, to check upon the continuing relevance of these policies, and to uncover possibilities for new or redefined policies, the Federation asked its member organizations to prepare a series of studies dealing with various aspects of the relationship between poverty and education. Eight such studies were

done and have now been published under the title *The Poor at School in Canada*. The majority of these studies are "observational" rather than statistical. They are so arranged as to enable the reader to enter a selection of schools for the poor in Canada and contrast the facilities, teachers and educational programs to be found there with those offered to the affluent by the same educational jurisdictions. The studies have certain advantages in that they are both current and Canadian. Consequently, continuing reference will be made to them throughout this brief.

5. Copies of *The Poor at School in Canada* have been provided to accompany this brief. Additional documentation made available to the Senate Committee includes bibliographies dealing with disadvantaged children and dropouts and the most recent CFT study of *Education Finance in Canada*.

6. In summary, this brief will deal with various aspects of the relationship between poverty and public education in Canada. We recommend it to your special attention as the work of an organization which has demonstrated a long-standing concern for and commitment to the disadvantaged in Canada and the world.

The Definition of Poverty for Today's Society

7. While in part it is the purpose of this brief to extend the definition of poverty in regard to the aspects affecting or affected by education, it is nevertheless necessary to begin with some working definition of poverty. In our view, the kind of poverty with which we must be most concerned, simply as members of a common society, is that which involves an involuntary and continuing economic status which is considerably lower than that enjoyed by the bulk of the population. The important ideas here are really quite simple. The poor lack money, they cannot choose between having or not having money, and their status is, by comparison with that of their fellow citizens, low.

8. It should also be noted that the poor are not defined simply as those with low incomes, but as those with incomes *significantly* lower than average. If this distinction is not made, it is not logically possible to talk about the eradication of poverty without also recommending the eradication of economic stratification. The overall question of stratification and social class is extremely complex and, in the final analysis, is a political question, which must receive a political answer.

9. Notwithstanding, it is clear that many persons, including teachers, are concerned with the special

problems of those whose incomes are barely sufficient to provide the necessities of life, or in many cases, are insufficient. Daily, teachers of the poor see the effects on children of these low levels of income, in the child's lunch bag or in his clothes. In Martin's study of "Disparities in Urban Schools", for example, the teacher of Hillside, the poorer school, remarked "It is too bad the poor children have such home lives—Did you see the lunches some of them bring to school? Bread and butter, that's all."¹ Another observer, in the city of "Agripolis", noted that the students at Trackville Junior High have "plain sandwich fare brought in paper bags. Most do not have fresh fruit included."² The observer in another school remarked upon the concern shown by teachers in Lo-Soc School: "One of the teachers commented that I should have gone to Mrs. A's class because one of her little girls had come to school that morning with no books and very thin-soled shoes. When the other teachers heard this they were very concerned and wanted to know if the child's parents knew that they could get boots at the Welfare."³ Finally, in one of the case studies reprinted to CTF it was noted that children of the X family "are always clean and neatly dressed, although their clothing is obviously second-hand and the alterations not made in a very skilled manner... They (the children) had recollections of feelings of inadequacy and humiliation and somehow felt that this related to their poor clothing."⁴

10. Teachers also experience at first hand the frustration occasioned by the apathy and lack of interest in school that many low income parents exhibit:

The school keeps parents informed through regular formal report cards... After a set of report cards has been sent home, a special opportunity is given for parents to visit the school and discuss their children's achievement with the teachers. Many

parents, however, do not take advantage of this arrangement. Some have no contact at all with the schools.⁵

After waiting an hour for a parent to come to the school to talk with her about one of the pupils, Miss Olsen observed disgustedly:

I was supposed to meet Mrs. Butt this afternoon and she didn't turn up. What can you do? She's not one bit interested in Henry's school work.⁶

Many parents and grandparents of these children are of little or no help at all in urging the youngsters to remain in school. Indeed, Indians in general never force their opinions on others. If anything, they act as an obstacle to further education simply by not offering any encouragement.⁷

11. Can a child learn well if he is hungry, or cold, or ill-clad? Can he study well in a home that is crowded, noisy and provides little encouragement? Let us say honestly that no educational program, however well-designed and forward-looking; no teacher, however sympathetic and competent, can compensate for these primary deprivations. Moreover, there is a growing body of evidence to suggest that malnutrition, in particular, if it occurs at an early stage of the child's development, may cause irreversible damage.⁸ And at any time it may be a source of learning disabilities:

Those who have worked with undernourished or hungry children know that they exhibit behavioral alterations. These include apathy, lethargy, inability to pay attention, and perhaps, over-concern about food to such a degree that responses to classroom stimuli do not occur. A child in such condition no longer meets the expectations of his family or teachers. He begins to live in a world of his own and may seek recognition or gain attention by ways that disrupt learning experiences.⁹

¹ Wilfred B. W. Martin. "Disparities in Urban Schools," in *The Poor at School in Canada* (Ottawa: Canadian Teachers' Federation, 1970). p. 6.

² John Milner. "Shadow Studies in Agripolis," in *The Poor at School in Canada*. p. 29.

³ Poverty Committee, Prince Edward Island Teachers' Federation. "Hi-Soc and Lo-Soc Elementary Schools," in *The Poor At School In Canada*. p. 133.

⁴ Committee on Poverty, The Manitoba Teacher's Society. "Case Studies of Two Families Living in Poverty," in *The Poor at School in Canada*. pp. 88, 90.

⁵ K. E. Gilliss. "Two Rural Schools," in *The Poor at School in Canada*. p. 48.

⁶ Martin, *op. cit.*, p. 6.

⁷ I. A. Lee. "The 'Citizens Minus' in Education," in *The Poor at School in Canada*. p. 120.

⁸ Merrill S. Read. "Malnutrition and Learning," *American Education*. 5:11-14, December 1969.

⁹ *Ibid.*, p. 14.

12. In view of the evidence presented here, the Canadian Teachers' Federation recommends that some form of guaranteed annual income be established which would enable those presently defined as poor¹⁰ to achieve the goals of adequate housing, clothing and nourishment. Since the economy fluctuates, it would probably be unwise to specify an exact amount. Similarly, we do not insist upon a particular means of distributing this income, since several alternatives might do equally well. However, we do feel that the recipients should not be humiliated or robbed of all dignity because they need this money and that the method of distribution should act as an incentive to greater achievement at school and in the wider society. A guaranteed income would appear to be preferable to the family allowances, which seem to provide incentives of a less desirable sort.

13. Since the guaranteeing of income for the poor requires a redistribution of the total income of society, it may be noted in this connection that the Canadian Teachers' Federation has reported to the federal government's Standing Committee on Finance, Trade and Economic Affairs its commitment to the principle that "the progressive character of income tax should be strengthened."¹¹

14. In sum, then, the Canadian Teachers' Federation defines poverty as a problem which has its basis in economic insufficiency and argues that an immediate start must be made on the problem by ensuring that there is enough cash in the pockets of the poor to handle the basic necessities of life. This minimum must be attained if other social programs, including education, are to have their full effect.

15. On the other hand, unless it is desired that there should always be a large segment of Canadian society which cannot become self-supporting, longer-term solutions to poverty must also be sought. To achieve such solutions, attention must be given to the resources other than cash to which the poor need equal access—housing, jobs, health and legal services, and education. What are the priorities among these items and what are the priorities within each? Discussion of these questions follows in the next section.

¹⁰It is recognized that this definition may change as society itself changes.

¹¹Canadian Teacher's Federation. *Brief on the White Paper on Tax Reform*. Presented to Standing Committee on Finance, Trade and Economic Affairs, March 12, 1970. p. 2.

Education and Economic Well-Being

16. Education is at something of a disadvantage in asking for priority as a potential way of helping the poor, since its benefits are generally of a long-term nature. Education does not have the immediacy of, say, a new house. Yet there are two main bases on which education may claim considerable priority:

1. Education is a source of power for the individual
2. Longer periods of education have been shown to be correlated with higher incomes.

17. While the second of these has received the most attention, it may be that the first is of greatest relevance in alleviating the economic problems of the poor. Our reasons for suggesting this would be as follows: A man or woman who is broadly educated has non-financial resources which, nevertheless, may be of considerable monetary value. Those who are well-educated know where to find assistance, the services to which they are entitled, their rights and privileges as citizens. In brief, they know how to find the information they need and to use it to their advantage. And they have sufficient confidence to insist upon their rights. This kind of knowledge may be as relevant to ensuring equal access to various services for the poor as the actual provision of the services themselves.

18. This view takes on additional importance when one considers the implications of the correlation between high levels of formal education and high incomes. The basic problem is that the monetary value of a particular level of education is related to the general level of education achieved by the population. Thus there seems to be no minimum number of years of education which, if achieved by all, would ensure prosperity for all. That is to say, a degree is cheap if all have degrees. Thus estimates of the length of a minimum education are constantly being revised upwards.

19. This line of reasoning implies that if education is to help the poor to economic well-being, there must be qualitative as well as quantitative goals for education. It is not enough to say that everyone should have 12 or 14 or more years of education, or to run "stay in school" campaigns. This approach only holds time constant and lets achievement vary. But if the poor are to be helped, it is achievement that must be equalized, not time. Many educators now believe that it is possible to specify the general level of verbal and quantitative skills which must be attained before special training can be successfully undertaken. Moreover, they believe that virtually every individual can

attain these minimum levels of skill and thus reach the threshold of economic self-sufficiency.¹² If all but the severely handicapped can indeed be brought to a level of skill at which they can enter special training programs for the various occupations which are available in society, a real beginning on the eradication of poverty can be said to have been made.¹³

20. Education, then, can contribute to the eradication of poverty if efforts are devoted to enabling all, or virtually all, members of society to achieve a minimum level of general intellectual competence on which various sorts of special training for different but necessary and desirable occupations may be based.

21. This approach stresses the need for general intellectual attainment and thus provides a vantage point from which to criticize policies which do not appear to conform to this goal. There is a particular program of the federal government to which the Canadian Teachers' Federation wishes to direct attention in this regard. This is the program which provides substantial weekly allowances, under the Occupational Training of Adults Act, for adults attending vocational courses at technical institutes and elsewhere. We would suggest that the terms of this act are too narrow and that the length of training allowed is too short: "To take a person from illiteracy to job competence in two years is often impossible."¹⁴ We would therefore recommend that the time limit be increased and that the benefits be extended to adults properly enrolled in programs designed to upgrade their standing in elementary and secondary subjects.

¹²See, for example, Carl Bereiter and Siegfried Engelmann. *Teaching Disadvantaged Children in the Preschool*. (Englewood Cliffs, N.J.: Prentice-Hall Inc., 1966). 308 p.

Lee Collet, *Program SIMEX: A Simulated Experience for Teaching and Testing Research Competencies*. School of Education, University of Michigan. Paper presented to American Educational Research Association, January 1969. p. 2.

William Clark Trow. *Teacher and Technology: New Designs for Learning* (New York: Appleton-Century-Crofts, 1963). 198 p.

D. Gene Watson. "Benjamin S. Bloom: 'Learning for Mastery'." *Administrator's Notebook*. Vol. 16, No. 8, April 1968.

¹³This assumes, of course, that there will continue to be enough jobs to go around, a point not necessarily conceded by proponents of education for leisure.

¹⁴John W. Chalmers. "Poverty and Alberta's Native Peoples," in *The Poor at School in Canada*, p. 138.

22. In summary, we as educators have faith in education and in its power to enhance the well-being of the individual. And we would suggest that both as a source of power and knowledge for individuals and as the basis for specialized occupational training programs, education has a high potential for providing the poor with the means to escape their poverty. If it is to achieve this potential, however, education needs to receive greater priority from all levels of government.

23. The next sections deal with the barriers in the way of achieving the goals set for education and, also, outline the particular groupings of the poor with which public education is most concerned.

Poverty as a Problem for Public Education

24. It has been suggested in the previous section that education is in many ways almost as good as money in the bank; it may therefore have some potential for relieving the poverty of even the elderly and the severely handicapped. Certainly, it has special potential for assisting the adult world in general. However, in so far as teachers in the publicly-supported educational systems in Canada are concerned the greatest potential for a long-term solution to poverty through education lies with the school-age children of the poor. They are both the numerically largest group in the poverty sector and the group most amenable to change. At the same time, children of this group present the schools with the most severe educational problems.

25. It is difficult to give any exact figures regarding the number of children at school who could be classified as poor, not only because, as has been pointed out by the Economic Council, the definition of poverty through reference to a specific level of income is arbitrary, but also because accurate statistics are lacking. As a consequence, one can only make rough estimates regarding the proportion of children at school who are from low-income families.

26. The Economic council, in their *Fifth Annual Review*, estimated that in 1961 there were 916,000 nonfarm families, 150,000 farm families, and 416,000 individuals who had to spend more than 70 per cent of their income on food, shelter and clothing.¹⁵ They estimated that the total number of people involved was 4.2 million (non-farm) and .5 million (farm). Assuming that the average family included four

¹⁵Economic Council of Canada. *Fifth Annual Review: The Challenge of Growth and Change*. (Ottawa: Queen's Printer, 1968). pp.108-110.

members and that 40 per cent of the low income population consisted of children 16 and under, one arrives at an approximate total of 1.9 million children 16 years and under from low income homes. Thus for 1961 one may estimate that approximately 27 per cent of the population 0-16 (6,812,179) was from a family in poverty. This figure employs the minimum estimate of low income. If the maximum estimate were used, the figure would rise to over one-third. Thus one might say that in 1961 about 30 per cent of the children attending school or approaching school age were from families with very low incomes.

27. More recent data from the Dominion Bureau of Statistics suggest that this proportion probably decreased between 1961 and 1967.¹⁶ Using the same proportional relationships as for 1961 one arrives at a minimum estimate of 1.5 million children from poor families, representing about 24 per cent of the population aged 0-16. One might also speculate that the distribution of poor children throughout the school system has changed since 1961 and will change still further in the next decade. There is a well-established trend toward retraining a larger proportion of the students through secondary school. Since most children of affluent parents were already being retained to the end of high school or beyond, an increase in retention must mean that a higher proportion of poorer children are now staying in school.¹⁷ Thus while the overall proportion of poor children may have dropped, the proportion attending high school has probably increased. It would also be of interest to explore the extent to which birth rates continue to vary with income levels, since this is the sort of information one needs to have in order to predict the future size of the poverty problem for the schools. The latest study of enrolment¹⁸ predicts a continuing drop in enrolment in the elementary schools over the next ten years. Will the proportion of the poor in this student population increase, decrease, or remain the same?

28. These speculations merely reinforce problems raised by the Economic Council and other bodies regarding the lack of statistics on poverty and its correlates. We really don't know how many children at school come from poor families and therefore may present learning problems of particular kinds. Nor can we say definitely whether quantities are increasing or decreasing. Even at the local level, where one might expect such important data to be available, accurate information was often lacking.

Considerable difficulty was met in obtaining some of the very basic socio-economic data for the two sectors of the city. This was a surprise, considering the prestige which most local educators accord the social science departments of the university. As the department head of Sociology of Education succinctly concluded, "This is an area that is completely unexplored in Agripolis."¹⁹

Data regarding the socio-economic status of the two areas is not readily available. The most useful data source for this report was a study compiled in 1967 which identified twenty "local areas" within the city, and provided comparative socio-economic data for each. Unfortunately the most recent data available at that time were from the 1961 Census.²⁰

29. Moreover, while we have defined the poor as those who lack money, we have carefully not defined the children of the poor as those who lack learning ability. Many children from low income homes do fairly well in school. However, the incidence of learning problems among the poor is undoubtedly higher. For example, the study undertaken in an urban area of British Columbia provides a table showing that achievement on standardized reading and arithmetic tests is consistently lower in Poverty elementary School than it is in Affluent elementary School.²¹ A study conducted in another western Canadian city found similar results.²² That the learning problems evidenced in the early years of school persist throughout is supported by the multitude of studies around the world which have shown a relationship between school retention and socio-economic status.²³

¹⁶Dominion Bureau of Statistics, Consumers Finance Research Staff. *Income Distribution and Poverty in Canada 1967. Preliminary Estimates*. (Ottawa: Queens' Printer, 1969), pp. 11-12.

¹⁷For an international study of retention to secondary school see Organisation for Economic Co-operation and Development. *Social Objectives in Educational Planning*. (Paris: OECD, 1967), 309 p.

¹⁸Z. E. Zsigmond and C. J. Wenaas. *Enrolment in Educational Institutions by Province, 1951-52 to 1980-81*. Staff Study No. 25, Economic Council of Canada. (Ottawa: Queen's Printer, 1970), p. 89.

¹⁹Milner, *op. cit.*, p. 24.

²⁰Inner-City School Committee, British Columbia Teachers' Federation. "Equal Opportunity to Learn?" in *The Poor at School in Canada*. p. 96.

²¹*Ibid.*, p. 100.

²²Edmonton Public School Board. *Report on the Inner-City Schools* (unpublished study), October 1969.

²³See references in *School Dropouts*. Bibliographies in Education No. 2. (Ottawa: Canadian Teachers' Federation, 1969). 17 p.

30. The magnitude of the problem of poverty for the schools can, then, be said to equal the number of children attending school whose parents lack adequate income and who exhibit learning difficulties of various sorts.

31. Another approach to the question of the magnitude of the poverty problem in education might be through creation of a typology of poverty subgroups and the exploration of the particular types of school-related problems associated with membership in a particular subgroup. Table 1 is a first attempt at establishing such a typology.

Table 1. Towards a Typology of Poverty Subgroups

Poverty Subgroup	Incidence is Predominantly	
	Rural	Urban
Unemployed or Under-employed parents		x
Parents living on marginal lands	x	
Widowed or seperated mothers	x	x
Immigrant Parents		x
Indians and Metis	x	x
Negros		x
Eskimos	x	

32. The learning problems of children from the different groups described in Table 1 might vary considerably. For example, for immigrant children the major problem might be language difficulties, whereas for the Canadian-born child of under-employed parents transiency may be a more significant problem. One might also point out that the problems vary in numerical incidence, in severity, and in persistence. For example, children who are of Indian, Metis or Eskimo extraction constitute a relatively small proportion of the low-income population. Yet a number of CTF's member organizations gave the problems of these children priority because of their severity. As well, the severity of the problems faced by immigrant children was noted; however, this problem was considered to be less serious since it was not viewed as persisting over an indefinite period of time. In general, it was the opinion of our members that the educational problem presented by Canadian-born urban poor of European or British extraction was numerically largest, but that the educational problem presented by the native Canadian (Indian, Eskimo and Metis), rural or urban, and by Negroes, is most severe and least easily solved.

Defining Equality of Educational Opportunity

33. It has been pointed out in preceding sections that the learning problems of children from low-income families may be more severe and more persistent, and may affect a higher proportion of the total number in the group. These learning problems may differ among the various poverty subgroups, as they become entwined with problems arising from ethnic, racial and cultural differences. They may also be compounded by the addition of emotional problems:

Ron was never observed in the gym without a ball under his left arm and... no one ever attempted to take his "assurance ball" (?) from him.²⁴

34. Many of these problems, it is now thought, arise out of the early family experiences of the child²⁵ and thus present education with the problem that children do not really start school on an equal footing with each other. If children are not equal to begin with, what kind of definition can one give to "equality of educational opportunity"? Clearly, it is not sufficient to provide only equal facilities for children who may vary so vastly in their readiness for formal learning. Special programs of many sorts are needed to counteract the school-related deprivations and disadvantages endured by the poor.

35. The next sections of this brief will be devoted to discussions of equality of educational opportunity in Canada, with special attention to two questions, reflecting "minimum" and "maximum" definitions of that concept:

1. Do children of the poor get the same facilities and treatment at school?
2. Do children of the poor get better facilities and treatment at school?

These questions will be discussed under the following headings, which we would call themes in the relationship between poverty and education in Canada:

²⁴ Milner, *op. cit.*, p. 35.

²⁵ See, for example, Judith A. Palmer, *Home Environment and Achievement* (Toronto: Research Department, Board of Education, 1967), p. 29.

Dale E. Shuttleworth, *The Effect of the Multi-problem Family On the Educational Process*. OERC Distribution Report No. 1, (Toronto: Ontario Educational Research Council, 1967). 14 p.

1. Regional Inequalities
2. School Facilities
3. Special Programs
4. Teachers of the Poor

Regional Inequalities

36. The problem of poverty in Canada is undoubtedly much compounded by the gross variations in productivity and income among different regions of Canada. Regardless of the intent of the people in these areas, or of their governmental representatives, their financial resources are simply not sufficient to match the facilities that can be provided in other parts of Canada. As was pointed out in the conclusion of one of the observational studies conducted for CTF in an eastern province, "Programs to accomplish the desired objectives, however, will be costly and will involve facilities, agencies and experts not currently available in a province where all funds for education are strictly limited by the financial situation of the province itself."²⁶

Table 2. Ability to Finance Education and Per Pupil Expenditure in Canada, by Province, 1966

Province	Ability (Personal Income Per Child 5 to 19 Years of Age)		Expenditure (School Board Expenditure Per Pupil Enrolled)	
	Amount	Rank	Amount	Rank
Nfld.	\$3,538	10	\$202	10
P.E.I.	4,182	9	279	9
N.S.	5,017	7	306	7
N.B.	4,405	8	280	8
Que.	5,830	6	473	4
Ont.	8,256	2	504	3
Man.	6,825	5	413	6
Sask.	7,103	3	461	5
Alta.	7,031	4	527	1
B.C.	8,437	1	508	2
Canada	\$6,910	—	\$465	—

Source: W. J. Brown, *Education Finance in Canada*. (Ottawa: CTF, 1969), pp. 50, 69.

37. There is no need to belabour in this brief the extent to which these gross regional inequalities exist in Canada. Their effect on education is illustrated by the figures in Table 2, which compare the ten provinces on the bases of ability to pay (personal

income per child aged 5-9) and expenditure per pupil.

38. The Canadian Teachers' Federation is of the firm belief that the federal government is the only agency in Canada with the power to bring about redistribution of income which would enable the poorer provinces to bring their educational facilities up to at least the average standard which the wealthier provinces can afford. It therefore recommends that the federal government provide financial support for all levels of education (elementary, secondary and post-secondary) in regions of the country where there is a clear deficiency in tax-paying ability, relative to the rest of the country.

School Facilities

39. As was pointed out in the preceding section, the part of Canada one lives in makes a difference to one's educational opportunities. The child in British Columbia has more than twice as much spent on his education each year as the child in Newfoundland. And this difference is closely correlated with retention in school: in 1961 68 per cent of the 15-19 year olds in British Columbia were still in school, compared with 52 per cent in Newfoundland.²⁷

40. But we have been aware of this situation for a long time. What has not been so evident is that in the same province, in the same city, and under the same operating authority, it is frequently the poor who get poorer schools. Once again, we are short on the needed statistics, and must turn for evidence to the observational studies which were conducted on our behalf:

Because of the limited size of the school playground [at Hillside]... the majority of the children are forced to play on the streets and sidewalks during the recess and lunch breaks. Higher Levels is a modern school... Ample playground space is available... The Hillside pupils are continuously interrupted by the traffic on the streets.²⁸

Trackville Junior High is a red-brick two-storey building located about 35 feet from a main truck artery... the play area is undeveloped... Both upper and lower corridors are dimly lighted.

Across the street from a shady park is a single-storey school that was built in 1951 [Middletown]

²⁷W. J. Brown, *Education Finance in Canada*. (Ottawa: Canadian Teacher's Federation, 1969). p. 64.

²⁸Martin, *op. cit.*, p. 3.

²⁶Gilliss, *op. cit.*, pp. 86-87.

... In the summer the front lawn is attractively green and flowers border the walkway to the main entrance on the west ... In the winter ... most of the activity centers on the skating rink and jam pail curling ... On entering the building ... the visitor is greeted by colourful papier-maché and ceramic samples of handwork displayed from glassed-in cases.²⁹

The two schools ... are both in relatively older areas of the city, and are thus traditional-style structures. The school located in the higher socio-economic region of the city has a park-like setting among lawns and trees, and is surrounded by a prestigious residential district ...

The contrasting school is located directly on one of the main traffic arteries of the city, and is in a setting of old homes—many in poor repair—and heavy industry ...

Not only does Affluent Elementary have pleasanter surroundings, but it also has a greater site size. Its 461 students are accommodated on a site of 4.83 acres ... While this is not large compared to most standards, it exceeds the 2.18 acres ... provided for the 504 children at Poverty Elementary School.³⁰

41. Similar results were found in an earlier study in a western Canadian city:

... Inner City school libraries are converted classrooms or even smaller areas ... The Inner City school sites are dwarfed by comparison with the established standards for new schools ... The very poor gymnasiums and changing facilities in the Inner City schools ... cripple the Physical Education program.³¹

42. It is apparent from these studies that many of the schools in Canada are community schools in the worst sense of that concept. The children of the poor may have few if any books at home—so why not omit libraries from their schools? They regularly play in the streets at home—so why make the school's playground significantly bigger or better? Surroundings at home may be drab and dreary and run-down—a depressing run-down school should fit in perfectly. Better to concentrate resources in the affluent areas, where the parents might otherwise complain.

43. It will no doubt be pointed out that the disparities in facilities are accidental rather than intentional. While Canadian school systems were going through a period of rapid expansion in the nineteen-fifties and early sixties, funds were not available for replacing or renovating older schools. Moreover, it is as a result of certain trends in urban development that the poor have fallen heir to the older, less adequate schools. And finally, variable zoning requirements contribute to the perpetuation of small school grounds in the inner city by raising property values to commercial rates.

44. It will no doubt also be argued that replacement of inadequate facilities has begun. On the other hand, the process is hardly proceeding with undue haste. As one study points out:

Many of the Inner City schools have not been renovated or redecorated, nor are they presently planned to be ... The holding off of such corrective work for even as little as six years means condemning a substantial number of the children ... to taking their entire elementary schooling in that very condition of inequality of educational opportunity.³²

45. The Canadian Teachers' Federation therefore urges local and provincial governments to recognize the urgency of the need for renovation or replacement of substandard schools and to proceed with the necessary building programs immediately. It is also suggested that the designs for any new schools which are to serve the poor incorporate such features as libraries, imaginative playgrounds, at-school study areas and works of art, thus providing a beautiful and stimulating environment for children whose home environment lacks those characteristics. Furthermore, it is suggested that the buildings be designed to encourage parental involvement in the school and its program and to permit use of some part of the facilities for emphasizing the positive values in the cultural identity of the particular community. (For example, there might be an area set aside for displays relating to the ethnic background of the children.)

46. It is further suggested that some experimentation be conducted with the idea of a "school without a building." One of the major problems in educating children of the poor is that they do not stay put:

... children move in and out of Poverty Elementary more frequently ... From September 1, 1969 to January 31, 1970, 134 students transferred into Poverty School ... [and] 101 students

²⁹ Milner, *op. cit.*, pp. 28-29, 38-39.

³⁰ Inner-City Schools Committee, BCTF., *op. cit.*, pp. 93-94.

³¹ Edmonton Public School Board, *op. cit.*, p. 6.

³² *Ibid.*, p. 7.

transferred out . . . Many of those transferring out were the same children who had transferred in earlier in the same school year.³³

But as John Macdonald has pointed out in *The Discernible Teacher*, there is no reason why the school must be a slave to the great God of Proximity.³⁴ Where the transiency occurs within a city, as much of it does, some attempt might be made to gain greater continuity of program for the transient children by making certain that they attend the same school throughout their early years, perhaps by providing transportation facilities. Where distances are too great, special resource teachers might be assigned to move about with the children, easing their transfer from one school situation to another.

47. In summary, then, it seems clear that school facilities do not at present meet even the minimum definition of equality of educational opportunity (i.e., equal facilities). Yet it is to be hoped that efforts will be made in the near future to bring them closer to the maximum definition (i.e., special facilities to meet greater needs).

Special Programs for Children of the Poor

48. Buildings alone will not solve the educational problems of children from low income families, although they can provide the spaces in which appropriate programs may take place. The question of what constitutes an appropriate program is, of course, not settled. In fact, in view of the feeling which now pervades educational thinking—that there is a need to adjust continually for individual differences—there is probably no way of ever settling the question. That is to say, there is no one program, or set of programs, which would immediately do away with the learning problems of the poor.

49. The mistaken assumption that a particular program might demolish the educational problems of poor children at one fell swoop may lie behind the failures of so many of the compensatory programs in the United States:

A study conducted for the U.S. Office of Education of all compensatory programs for the disadvantaged reported on between 1963 and 1968

found that of the 1,000 programs examined, only 23 were found to have yielded "measured educational benefits of cognitive achievement."³⁵

Head Start programs in particular, have been widely criticized.

50. Yet, while it seems to be true that the hastily implemented programs of preschool compensatory education in the United States have not been overly successful, one should not therefore discard entirely the idea of preschool education, for it remains certain that many of the learning problems of poor children have their roots in the experiences which they have had, or lacked, in their earliest years. These problems ought, in logic at least, to be amenable to solution through improved kindergarten and preschool education. Certainly, as may be seen from Table 3, there is a general lack of such facilities in many parts of Canada. Moreover, in a number of provinces the provincial grant scheme does not cover kindergarten facilities. As a result, local districts tend to establish kindergartens on the basis of demand (which usually comes from the more affluent families) rather than of need.³⁶ It is therefore the feeling within the Canadian Teachers' Federation that greater provision should be made for the establishment of kindergarten and preschool programs in Canada and that, in allocating resources for these facilities, priority be given to communities in which the greater proportions of children from low income sectors of society live. The highest priority of all should go to children who suffer the additional disadvantage of belonging to an ethnic, cultural or racial minority in which the language of the home is not the language of the school.

51. The solution to the educational problems of the poor does not lie exclusively in the preschool, nor can it be found in any particular level of the educational system. It seems, rather, that solutions may be found as the programs in the schools take on dimensions such as the following:

- (a) parental involvement
- (b) culturally differentiated textbooks and curricula
- (c) avoidance of streaming
- (d) intensive training in language skills.

³³Inner-City Schools Committee, BCTF., *op. cit.*, p. 98.

See also Christian A. Stuhr and E. N. Wright, "Marks and Patterns of Parental Mobility in a Downtown School," *Alberta Journal of Education Research*, 16:47-55, March 1970.

³⁴John Macdonald, *The Discernible Teacher*. (Ottawa: Canadian Teachers' Federation, 1970), p. 44.

³⁵Frank Riessman and Alan Gartner, "Paraprofessionals: the Effect on Children's Learning," *The Urban Review*, 3:21-22, October 1969 (p. 21).

³⁶Research Department, Board of Education for the City of Toronto, *Study of Achievement: Junior Kindergarten, Who Is Served and Who Goes*. (Toronto: the Board, 1965). p. 15.

Table 3. Kindergarten Enrolment As a Proportion of the Relevant Age Group, by Province, 1967-68

Province	Proportion of 5-year-olds Enrolled, 1967-68
Nfld.	71.3%
P.E.I.	1.7
N.S.	104.1
N.B.	0.7
Quebec	62.9
Ont.	91.4
Man.	52.1
Sask.	19.5
Alta.	2.2
B.C.	42.4
Yukon and N.W.T.	57.1

Source: Z. E. Zsigmond and C. J. Wenaas, *Enrolment in Educational Institutions by Province 1951-52 to 1980-81*. Economic Council of Canada Staff Study No. 25. Ottawa: Queen's Printer, 1970. Appendix A, 87-158.

Parental Involvement

52. Parental involvement in the school is very likely to be one of the keys to pupil achievement. A number of studies have demonstrated that achievement may improve swiftly when the school takes the trouble to show parents how to reinforce achieving behaviour:

A New York City program, STAR (Supplementary Teaching Assistance in Reading), used paraprofessionals to train parents to read to their children . . . The children, whose parents were trained one hour per week during the school year to read to them, scored higher in nine different reading tests than did a control group of matched children who received two hours of remediation per week from professionals.³⁷

53. The studies done for CTF suggest that the schools in poorer areas seem to have little contact with the parents (see paragraph 10). Yet contact might be brought about fairly simply, and in a way which could directly improve children's achievement. For example, in a recent paper to the American Educational Research Association, Dr. Robert Hawkins described a system through which parents deliberately reinforced their children's achievement by giving or withholding rewards on the basis of notes received daily from the

teacher. Achievement gains in skill subjects were frequently astonishing under this system.³⁸

54. In the various programs being developed to assist disadvantaged children in Canada, involvement of parents is usually a key feature:

Drop into St. Paul's School in downtown Toronto on Monday or Thursday evenings . . . Parents are teaching other students how to paint.³⁹

Three groups of volunteers work with children who have special problems . . . The National Council of Jewish Women conduct classes for pre-school children two mornings a week. On these mornings the mothers attend and are given help with problems that affect their children.⁴⁰

The nursery schools has two Cree-speaking children for every English-speaking child. Many Indian mothers stay to learn sewing and other activities while their children attend nursery school.⁴¹

55. While parental involvement at the level of the local school is essential, some thought might be given to the extent to which low-income parents are involved in the formal bodies which make decisions about educational priorities, such as boards of education. Parents of the poor stand little chance of gaining access to these decision-making bodies if a property qualification must be met. But even where this is not the case, potential candidates from the lower income group may find the cost of running for elected office prohibitive. These questions, again, are not open to ready solution. Presumably, however, some means must be found whereby the representatives of the poor may have both formal and operational participation in the decisions which affect the educational opportunities provided for their children.

56. While true for all low-income groups, this point is particularly true in the case of ethnic and racial

³⁸Robert P. Hawkins and David J. Sluyter. *Modification of Achievement by a Simple Technique Involving Parent and Teacher*. Kalamazoo Valley Intermediate School District and Western Michigan University. Paper presented to annual meeting of American Educational Research Association, Minneapolis, March 2-6, 1970.

³⁹Monica Young. "One Inner-City School Keeps Open House Two Nights a Week." *Curriculum Bulletin (Ontario)* 1:21, January 1969.

⁴⁰P. H. Seymour. "Ottawa's McNabb Park Community School." *Curriculum Bulletin (Ontario)* 1:11, January 1969.

⁴¹John Gillies. "Equal Education Takes a Three-Pillared Stride Towards Reality in Moosonee." *New Dimensions in Education*, Vol. 4, No. 4, 1969, p. 11.

³⁷Riessman and Gartner, *op. cit.*, p. 22.

minorities. The situation of Indian parents in Canada is a case in point. It seems that originally the Indian communities had a voice in the operation of the federal schools for Indians through school committees. Where the responsibility for educating Indian children has been transferred to provincial public schools, however, this direct liaison between home and school has often been lost, and replaced by the indirect mediation of a representative of the Indian Affairs Branch:

... band councils still need to deal with the IAB to implement programs . . . In most Indian communities, also, few Indians, if any, are on local school boards where decisions affect their children.⁴²

57. The effect of this exclusion from the decision-making process is to increase the alienation of Indian parents from the schools and to hold back the development of schools which would truly serve the needs and interests of the local community. In turn, this tends to keep native communities socially marginal:

Most Indians, particularly in the north, are unaccepted by white people socially.⁴³

Some parents resent their children learning the worse parts of the white man's ways . . .⁴⁴

In view of these problems the Canadian Teachers' Federation strongly recommends that further provision be made for the involvement of Indians, Metis, Eskimos and Negroes in those policy-making bodies which determine the education of their children.

Differentiated Curricula and Textbooks

58. The failure to date of education to help adequately children of the poor can be traced not only to unequal facilities and lack of parental involvement, but also to the very nature of the programs which have been offered; while these programs have undoubtedly been prepared in good faith, they may nevertheless be quite inappropriate for many, perhaps most, poor children. The child who is poor will not, for example, likely recognize the kind of "normal" home life which is portrayed in many reading texts, where children have plenty to eat, good clothes, rooms of their own, pets, grass to play on, and a father who comes home from work every night. The stereotyped portrayals in these books take for granted certain values which, even where they are held by the disadvantaged sector,

cannot be achieved. Take, for example, the supposedly simple matter of cleanliness. It's really very easy to be clean—or is it? Consider the following excerpt from a CTF study:

Not too many mothers of six or seven children living on welfare could manage, especially in the winter time, to wash the children's clothes too often, even if they have seconds to change into. Many Indian homes, particularly those of the squatters, are extremely substandard, and water is not an easily accessible commodity. The load of washing must be scrubbed laboriously by hand on a washboard, perhaps in the same tub of sudsy water, then rinsed in a small basin of hot water. Even when thus washed the clothes fail to look sparkling clean, not to mention the holes or patches or the fitting or styling of the clothing on the backs of some of the Indian children, who must attend school with comparatively well-dressed and well-fed non-Indians.⁴⁵

59. A more serious deficiency in the curricula and textbooks of the dominant sector of society is that they may portray the other sectors in a distorted or erroneous way:

Research done by the University Women's Club of Port Credit (1968) on the Canadian Indian in Ontario's school texts showed that there are "enormous omissions" . . . The little information given about Indians is chiefly on economy and technology, and includes "almost no material on religion, values, ethics or aesthetics."⁴⁶

One result of these influences may be that the children whom the schools are intent upon helping develop such a feeling of inferiority that communication between teacher and children virtually disappears:

Walter, Shirley, Dorothy and Betty-Anne . . . liked the school and remembered it as a pleasant place . . .

... They all felt they were "dumb" in comparison to other children. This concept persists and they feel they have done quite well in life considering they are a "dumb" family.⁴⁷

It might be noted that both Shirley and Dorothy qualified for senior high school programs, but did not attend.

⁴⁵*Ibid.*, p. 119.

⁴⁶*Ibid.*, p. 109.

⁴⁷Committee on Poverty, Manitoba Teachers' Society, *op. cit.*, p. 90.

⁴²Lee, *op. cit.*, p. 118.

⁴³*Ibid.*, p. 117.

⁴⁴*Ibid.*, p. 120.

60. Another unfortunate result of the standard textbooks is that children in the dominant society also receive a distorted version of the nature and achievements of other groups in Canada. "Our teachers and other 'educated' citizens who have been raised on these same or similar textbooks could hardly be condemned for their share in the treatment of the Indian people as 'citizens minus'."⁴⁸

61. There is an obvious need for differentiated curricula and texts—but a dilemma is created by the fact that it is not economical to produce texts in small numbers. However, it should at least be possible in the short term to remove discriminatory sections from present texts and begin to add in sections appropriate for children from other than urban middle income groups. The long-range solution may lie in doing away with general purpose textbooks and replacing them with a multitude of reference books and one-unit books. The library thus replaces the textbook and leaves teachers free to organize material and adapt it to the special needs of their pupils. The library may also become a resource centre which allows teachers and pupils to develop new materials as needed and, in effect, to write their own textbooks.

62. The federal government could provide valuable assistance in the meantime by helping various ethnic and cultural minorities in Canada to locate and record their lost history and thus begin the restoration of their cultural identity. Provided it has the will, the government has many means of accomplishing these aims, including the Canada Council and the National Film Board. In developing the suggested materials it should be kept in mind that there are two major goals: (1) to help Indians, Eskimos, Metis, Negroes and the poor generally to learn about and respect themselves and (2) to help other children to learn about and respect all their fellow citizens, including those whose heritage and style of life is different. If discrimination in Canadian society, whether conscious or unconscious, could be ended, a major step would have been taken towards the elimination of poverty.

Avoidance of Streaming

63. It has been pointed out in preceding sections that children do not start school equal. What is worse, however, is that the spread in ability grows ever wider as they move through school:

Discussions with teachers in both schools lead one to believe that the differences in educational achievement between poor and more affluent children

become more pronounced as the children become older...⁴⁹

This initial spread in abilities increases over the years so that it is approximately double this amount by the time children approach the end of the elementary school.⁵⁰

If the effect of schooling is to increase the degree of inequality, it certainly becomes a matter of interest to question why this should be so.

64. It is increasingly being suggested by educational authorities that one of the causes of this increase in the range of achievement is the practice of streaming, or grouping, on the basis of general or special ability. Some of this problem may be traced to the over-dependence on the I.Q. test which was to be found until recently in most schools. It was mistakenly thought that I.Q. tests recorded inherited mental ability, rather than the amount and type of learning which took place after birth⁵¹ and that I.Q. results were absolute rather than relative. I.Q. test results were therefore treated as predictors of achievement and children were streamed on the basis of this prediction. The result was to give rise to the phenomenon which is often called the "self-fulfilling prophecy," through which the constantly failing expectations of the teacher are inevitably reflected in the constantly falling achievement level of the pupil. In this kind of system, pupils from homes of low socio-economic status, who often have low I.Q. scores, get started in a slow stream and rarely escape:

The comparison of the Inner City-suburban samples showed that there was a disproportionately high percentage of Inner City pupils in the 7-year "slow learner" stream of the elementary Continuous Progress Plan and a disproportionately low percentage of Inner City students in the 5-year C.P. program. In fact, there were 25 times as many Inner City pupils as there were suburban pupils in the 7-year program for "slow learners." On the other hand, two of the Inner City schools sampled had no students at all in the beginning year of the 5-year "accelerated" stream.⁵²

⁴⁹Gilliss, *op. cit.*, p. 86.

⁵⁰John I. Goodlad and Robert H. Anderson. *The Nongraded Elementary School*. Revised edition. New York: Harcourt, Brace and World, 1963. p. 27.

⁵¹For a recent discussion of heredity vs. environment see "Education, Ethnicity, Genetics and Intelligence," *JRCD Bulletin*, Vol. 5, No. 4, Fall 1969.

⁵²Edmonton Public School Board, *op. cit.*, pp. 4-5.

⁴⁸Lee, *op. cit.*, p. 109.

65. Streaming and grouping, it might be noted, seem on the surface to be eminently practical solutions to the problem of dealing with individual differences through group instruction. If students of roughly comparable ability are grouped together, it is thought, the teachers' problems will be much reduced. And if the groupings are by subject as well, the problems will be reduced that much further. But there are invidious side effects to these groupings. For one thing, children in the lower ability groups and streams, even if they are referred to as "Monkeys" or "Moon Walkers", are usually very well aware of their academic merits, or lack of them, and realize their stupidity. Moreover, groupings tend to obscure the logic of the problem, which is stated thus by Bereiter and Englemann:

If the point is accepted that disadvantaged children are behind other children in certain developmental aspects, then it follows by simple logical necessity that *they must progress at a faster than normal rate if they are to catch up*. Although this conclusion is not a popular one, there is no conceivable way to contradict it except by denying that disadvantaged children are behind.⁵³

This problem of unequal beginning abilities and increasing inequalities does not get solved when graded schools are exchanged for nongraded schools, although the public stigma of failure is removed. There is little evidence to show that nongrading procedures bring about impressive improvements in skill subjects. It would appear that a further reorganization and reorientation of elementary education is required if the massive gains in the achievement levels of disadvantaged children which seem to be needed are to be made.

Emphasis on Language Skills

66. The final dimension of potentially effective programs for the disadvantaged is implied in the last section. This is the necessary emphasis on language skills. There is really no place in Canadian society today for those who do not possess a high degree of verbal skill. At least, there is no place among the occupations which are most desirable and which pay best. Physical skill can rarely be substituted. Thus if education is to make inroads in the problems of poverty there must be an even greater concentration on the teaching of language skills than there is at present. And here we may echo the recent words of the U.S. Commissioner of Education, James E. Allen Jr.:

Imagine, if you can, what life would be like if you could not read, or if your reading skills were so meager as to limit you to the simplest of writings, and if for you the door to the whole world of knowledge and the inspiration available through the printed word had never opened.

For more than a quarter of our population this is true... These individuals have been denied a right—a right as fundamental as the right to life, liberty and the pursuit of happiness—the right to read.⁵⁴

67. It may be noted that in the CTF studies considerable emphasis is given in most of the classrooms to reading and arithmetic skills:

... although a formal timetable listing specific subjects and periods is displayed prominently in the classroom, Miss Brown has increased the time spent on mathematics, language and reading and has decreased the time spent on other activities.⁵⁵

But more is obviously needed than time:

Germaine has a serious reading problem and Miss Brown attempts to help her in the traditional way, which does not appear to remedy the situation.⁵⁶

And that "more" will require much larger expenditures on developing new learning materials and on providing additional teachers with the specialized training to offer intensive initial and remedial programs in skill subjects. Where the children to be taught do not speak, as their first language, one of Canada's "official" languages, the teacher's special training should include a knowledge of that first language, whether it is Cree or Italian, and a knowledge of how to teach English or French as a second language.

Current Programs

68. The bleak portrait of the programs of education offered to disadvantaged children in Canada that was drawn above does not hold true everywhere. Many teachers have become concerned over just these problems in the past few years and have begun to move toward a solution. New programs have been designed and implemented in many parts of Canada. Inner city schools such as Duke of York Public School in Toronto have become well known for their innovative

⁵⁴ "Target for the 70's: the Right to Read," *American Education* 5:2-4, December 1969. (p. 2)

⁵⁵ Gilliss, *op. cit.*, p. 57.

⁵⁶ *Ibid.*, p. 58.

⁵³ Bereiter and Englemann, *op. cit.*, pp. 6-7.

approaches to teaching poor children.⁵⁷ The E.N.O.C. program in Hamilton⁵⁸ and a higher horizons program in Winnipeg have been developed through co-operative efforts on the part of teachers and principals to deal with emerging problems. Similar programs are to be found in the Atlantic provinces and in the west of Canada. For example, the British Columbia Teachers' Federation Inner-City Schools Committee is planning a summer program to meet various special needs of urban children from low-income areas.⁵⁹ It may be noted that many of these programs exhibit similar features—reduced class size, specialists in language teaching, community and parental involvement, nutritious meals and snacks, field trips, male “identity” figures, use of volunteers, paraprofessionals and social workers, provisions for adult education and day care. These programs are all very worthy. But they are only a drop in the bucket compared with what is needed.

Teachers of the Poor

69. The final theme to be found in the relationship between poverty and education is the one with which we, as a federation of teachers, are most intimately concerned. This theme concerns the professional preparation and practice of the teachers of the poor. And if we accept as a rough estimate that perhaps a third of the children in the public schools come from homes of one or another of the poverty subgroups identified in an earlier section, it will be agreed that the proportion of teachers in this category is rather large.

70. A number of problems arise when attempts are made to ensure that good teaching reaches the poor. Many of these problems may stem from the fact that teachers too are human beings, as anxious as any of their fellows for congenial surroundings and satisfying work. As a result, there has been a distinct reluctance on the part of teachers generally to seek or stay in schools in isolated areas or in schools where the children do not respond quickly to the usual teaching methods. This problem was compounded in the past through somewhat dishonest recruitment procedures which did not provide teachers with an honest picture of the situation they were likely to encounter.

71. The comparative studies undertaken for CTF and elsewhere illustrate this reluctance of teachers to remain as teachers of the poor:

The teacher population, [at Glengarry Elementary] all female, is far from stable. In fact, the principal says that it is difficult to get teachers to remain in the school.

Nearly all the teachers in the area [at Rosedale Elementary] have taught here for many years.⁶⁰

The teaching staffs were also compared for length of service in their present schools. The median length of service at Affluent Elementary was 3.0 years, compared to 1.0 years at Poverty Elementary.⁶¹

The turn-over rate of teachers is high; in certain instances there may be as many as two or three different teachers within the same academic year.⁶²

Don't tell me you are still at . . . !

Good heavens, why don't you transfer to a better area?

I've heard about that school: I don't see how you can stand it.

Why do you stay?⁶³

72. A concomitant problem is that the teachers in the poorer schools often have less training:

Employed in Trackville Junior High School are eight men and five women. Six have degrees and five are working toward their degrees in evening classes. No one has a major in special education.

[At Middletown Junior High] the full staff complement is fifteen. Twelve have degrees and seven have two or more degrees.⁶⁴

Of the present teaching force at Affluent Elementary . . . 56 per cent have . . . at least four years' university training, compared to . . . 42 per cent at Poverty Elementary.⁶⁵

Presumably, one of the reasons for this disparity is that the better qualified teachers find it easier to get the kinds of positions they prefer.

⁵⁷ Douglas W. Balmer, “Duke of York Public School: A Pilot Project for Inner-City Schools,” *Curriculum Bulletin (Ontario)* 1:22-24, January 1969.

⁵⁸ Mearl L. Thomson, “E.N.O.C. Is Beginning to Show Results,” *Curriculum Bulletin (Ontario)* 1:3-5, January 1969.

⁵⁹ British Columbia Teachers' Federation, *Developmental Action Project: Vancouver Inner-City Schools*, Vancouver: the Federation, 1970.

⁶⁰ Gilliss, *op. cit.*, pp. 49, 69.

⁶¹ Inner-City Schools Committee, B.C.T.F., *op. cit.*, p. 102.

⁶² Lee, *op. cit.*, p. 117

⁶³ Ingrid Ravatn, “Why Teach in the Slums?” *Manitoba Teacher* 46:3-6, Jan.-Feb., 1968. (p.3)

⁶⁴ Milner, *op. cit.*, pp. 30, 40.

⁶⁵ Martin, *op. cit.*, p. 6.

73. A more subtle problem exists in the fact that teachers in schools for the poor do not usually live in the same area as their students. Thus they tend to look upon the adult community that surrounds the school from the point of view of outsiders, seeing the parents as shiftless, apathetic, lacking interest and responsibility and, in general, inferior:

Most of the teachers at Hillside have a different feeling about the area which the school serves than they do about the children in the area. None of the teachers live in it, and for the most part, they speak of it disparagingly.⁶⁶

Parent-Teacher conferences are scheduled in response to a full-blown crisis. Under these circumstances teachers meet a few parents. Only one staff member visited the homes of his students.⁶⁷

The isolation of the school from the community which thus develops does not augur well for the improvements in schooling that are needed. Teachers who are out of touch with or hostile to the community from which their pupils come may not develop that particular sensitivity which is required in difficult situations. For example, they may not recognize the subtleties involved in such overt behaviours as stealing or fighting. And they may adopt disciplinary modes which reflect this imperfect understanding.

The philosophy behind the treatment of misbehaviour and consequently the method of punishment used by each principal is different. The principal at Hillside usually carries a strap in his pocket and he often uses it on misbehaving pupils . . . For example, Harrison and Larry got "strapped" for fighting in the basement of the school, and Keith received a strapping for talking across the classroom while the principal was teaching a science lesson . . .

The principal at Higher Levels has a different attitude toward the pupils who behave improperly, and consequently he has a different method of dealing with them. The strap has never been used at Higher Levels.⁶⁸

74. One might well ask how the very natural distaste which teachers have for difficult environments might be overcome. It is possible that financial incentives might be the answer in some cases. However, it seems that other approaches may be more

fruitful. For example, the temporary or rotating appointment suggested in one study might be an acceptable solution in some cases:

Alex Sim, for instance, recommended for the nomadic Indians a corresponding educational service complete with nomadic teachers; while R. W. Dunning . . . suggested a teacher-rotation system which was actually tested in British Columbia some years ago and proved successful although many obstacles such as the problem of seniority or the voluntary mobility of teachers had to be overcome.⁶⁹

Another solution, although less clear in its ramifications, is the possibility of training persons from the community as teachers and teachers' aides. This is a debatable solution, since it might limit the individual to employment in a specific region, thus restricting his chances of mingling with the broader society. Thus, for example, it sounds sensible to suggest training Indians to teach in Indian communities; but it would be unfair to insist that they teach nowhere else.

75. In all probability, the most lasting solution to the problem of attracting competent teachers to schools for the poor may be sought in terms of the following:

- (a) improved working conditions
- (b) emphasis on aspects which present a challenge and require imaginative solutions
- (c) specialized training.

Each of these will now be discussed in turn.

Working Conditions

76. Teachers agree that working with children who are disadvantaged is physically and emotionally exhausting. It is interesting to notice that in the projects specifically planned to help disadvantaged children that were described in paragraph 68, the two first steps taken almost everywhere were to reduce class size and hire specialists, including not only librarians and language specialists, but also persons in new and imaginative positions such as the "crisis" teacher described in one of the CTF studies:

Mr. Y is a "crisis" or "resource" teacher. He takes care of youngsters who, for some reason or other, cannot function in a classroom situation for very long. The children, mostly boys, are sent down to him at regular intervals or at a crisis

⁶⁶ Martin, *op. cit.*, p. 6.

⁶⁷ Milner, *op. cit.*, p. 30

⁶⁸ Martin, *op. cit.*, p. 8.

⁶⁹ Lee, *op. cit.*, p. 111.

moment. Mr. Y talks to them or just lets them play until it is decided that they should return to class.

When Donnie decided to leave there he started off down to Mr. Y's room again. (It was always an alternative if we couldn't go somewhere else.)⁷⁰

Other personnel that have been brought into experimental programs include social workers and psychologists.

77. It would seem from the studies conducted for CTF that the question of class size is crucial. The pupils in a number of classes seemed to spend a considerable time just waiting, for events to start happening or for the teacher's attention:

The pupils who got books asked the teacher's permission to do this by raising their hands and waiting for her to ask them what they wanted. Four or five whispered across the classroom. The teacher spoke to those who were whispering. She said, "Stop talking and finish your maths. If you're finished there must be something you can do."⁷¹

Ron begins tapping his feet on the wall in front of him. He picks up chalk and begins doodling on the board... Teacher then moves to Ron's desk and begins helping him with a problem. He poses penetrating questions. Ron answers the questions easily. Ron intermittently lifts his head to daydream in the direction of the student at the board. Begins making faces at a student across the room.⁷²

It might be noted that Ron is the boy whose "cumulative folder is monotonously repetitive with D's and C's."⁷³ Pupils were also discouraged at times from continuing on in their work, even when able and eager to do so:

Eddie, one of the children working math, asks Miss Brown if he has to work beyond page 85. When she tells him that he does not, he closes his text, puts it in his desk and asks Miss Brown if he may get a book. "Sit still for a minute, please," she responds. He then lies across his desk and smiles at Tony, who is still working.⁷⁴

An interesting contrast is found at the Higher Levels school described in another study, where the teacher has, in effect, reduced class size by turning her students into teachers:

One big difference was that at Higher Levels the teacher often encouraged specific students who were finished to help others who were having difficulty with their work.⁷⁵

78. Improvements in working conditions of the kind suggested above might help to make teaching in schools for the poor sufficiently pleasant to attract highly qualified teachers. These improvements, of course, are not inexpensive.

Career Commitment

79. It is also noticeable that the special projects allow teachers who do not wish to participate to move to another school. This is an important aspect of improving the teaching of the poor. Schools for the poor should not be staffed by persons who are trying to transfer out, or who have been attracted only by special working conditions or extra money. Rather, it is to be hoped that in future these schools will be staffed by teachers who have committed themselves to a career in this area and who approach the community and the children with neither scorn nor sentimentality, but with genuine respect. As one study points out, "there is some indication that an increasing number of teachers are planning for themselves a career in 'innercity' schools."⁷⁶

80. An added incentive to making the teaching of the poor attractive to career teachers is the opportunity and need for innovative approaches. It is suggested that teachers be made aware of the challenging aspects of "difficult" teaching situations and be assured that the new techniques and approaches they develop will be as welcome there as in the schools for the affluent.

Special Training

81. One fairly certain way of bringing about career commitment is through providing teachers with a broad understanding of the learning problems of the poor, of the underlying social and economic conditions, and of the special techniques which may be used or are particularly required in such situations.

⁷⁰Poverty Committee, P.E.I.T.F., *op cit.*, p. 132.

⁷¹Martin, *op cit.*, p. 13.

⁷²Milner, *op cit.*, p. 34.

⁷³*Ibid.*, p. 31.

⁷⁴Gilliss, *op cit.*, p. 56.

⁷⁵Martin, *op cit.*, p. 13.

⁷⁶Inner-City Schools Committee, B.C.T.F., *op cit.*, p. 102.

The provision of this knowledge is in part the responsibility of in-service training facilities. However, in view of the size of the problem, one questions whether special training programs for teachers of the poor should not be incorporated within the regular preservice teacher preparation programs. A recent survey by the Canadian Teachers' Federation suggests that it is the exception rather than the rule to include courses, or even parts of courses, dealing with disadvantaged children in the regular training programs. Out of some 33 English-speaking teacher education institutions replying to the CTF questionnaire, 20 reported that no courses or parts of courses on Indian and Metis education are planned at present. Nineteen report the same situation in regard to the education of inner city children and 23 in regard to Eskimo education. In addition, 18 institutions reported that they do not provide any courses in preschool education.⁷⁷

82. As in other cases throughout this brief, the Federation recognizes the particular urgency of the problem as it relates to the native peoples of Canada; it therefore strongly recommends that courses of study be established which will better prepare teachers of Indian, Metis and Eskimo students to deal with the needs of these students. Moreover, it is suggested that this is an area in which the federal government, perhaps through the Canada Council, could provide direct financial support, by subsidizing the work required to develop and put into operation these special programs.

Summary

83. Through this brief the Canadian Teachers' Federation has attempted to draw to the attention of the Senate Committee the more important of the complex ways in which poverty and public education are intertwined in today's society. As far as possible, statements have been documented by studies of the current situation across Canada. In the course of the brief a number of suggestions have been made regarding ways in which education might assist in the alleviation of poverty. For the convenience of the Committee, these recommendations are collected and re-stated in formal terms below.

Recommendations

1. THAT some form of guaranteed annual income be established which would enable those presently defined as poor to achieve the goals of adequate housing, clothing and nourishment.
2. THAT the progressive character of income tax be strengthened.
3. THAT education be given priority among possible long-term solutions to the problems of poverty.
4. THAT benefits similar to those provided under the *Occupational Training of Adults Act* be extended to adults properly enrolled in programs designed to upgrade their standing in elementary and secondary subjects.
5. THAT the federal government collect statistics on the educational characteristics of the population more frequently than once every ten years and that priority in the order of census analyses be given to data dealing with education.
6. THAT analyses of the family background of children of various ages attending school be prepared from census data and published.
7. THAT the federal government provide financial support for all levels of education (elementary, secondary and post-secondary) in regions of the country where there is a clear deficiency in tax-paying ability, relative to the rest of the country.
8. THAT plans be implemented immediately to renovate or replace the substandard schools which still exist in many parts of Canada and which prohibit the offering of modern programs of instruction.
9. THAT greater provision be made for the establishment of kindergarten and preschool programs in Canada and that priority in their establishment be given to communities where the children are poor.
10. THAT efforts be made to involve low-income parents, on both formal and operational bases, in the education of their children.
11. THAT, in particular, further provision be made for the direct involvement of Indians, Metis, Eskimos and Negroes in those policy-making bodies which determine the education of their children.
12. THAT the federal government provide financial assistance to native Canadians attempting to record the history of their people and culture.

⁷⁷ Canadian Teachers' Federation. *Questionnaire on Innovations in Teacher Education*. Preliminary results, 1970.

13. THAT the federal government contribute financially toward the development of curricula for Indian, Metis and Eskimo children which will include support for the valuable aspects of their own culture.
14. THAT sections of textbooks which are apt to further the discriminatory aspects of Canadian society be removed from future editions.
15. THAT teachers of children from homes where neither English nor French is the first language acquire some knowledge of the language of the home.
16. THAT courses of study be established which will better prepare teachers of Indian, Metis, Eskimo and Negro students to deal with the needs of these students.
17. THAT the federal government provide financial assistance to institutions of higher education to enable them to develop appropriate courses for teaching the teachers of Canada's native peoples.

APPENDIX "B"

SUBMISSION TO THE SPECIAL SENATE COMMITTEE ON POVERTY

by

The Canadian Council
for Research in Education
265 Elgin Street,
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233-2740

Para. 1 The following recommendations are intended to suggest plans of action. They are derived logically from the treatment in the pages which follow. C.C.R.E. suggests that education can play an important role in the development of human resources and that research is necessary in selecting the alternatives for education programs which will meet most needs of society and of the individual.

Recommendations

1. That in planning steps to be taken to alleviate conditions of poverty, serious consideration should be given to making optimum use of education's potential.
2. That in order to ensure that decisions taken to reduce the numbers of those living under conditions of poverty be as rational and sound as possible, relevant research endeavour must be stepped up so that factual

data and related information will become available as bases for those decisions. As research projects and pilot studies are the fastest, most reliable and most economical means of testing alternatives, they should be fostered and funded. Education, interpreted broadly to include both formal and informal education, must be one of the chief considerations in any hypothesis proposed.

3. That there be a grant structure provided under which research grants are made available for a variety of "mission-oriented" research projects directed at different aspects of the problem. That only research proposals designed with fully adequate analytical and methodological bases directed or likely to contribute to our understanding of the situation for the disadvantaged be funded. This is to be interpreted broadly enough to include the development of tests,

devices and media which are needed to undertake valid research.

4. That research efforts be directed towards the following:

- (a) Determining suitable programs for teachers of relatively homogeneous disadvantaged classes.
- (b) Determining of suitable materials for the preparation of regular teachers who will have a few disadvantaged in a normal heterogeneous class.
- (c) Developing of other teacher preparation programs, i.e. for teachers in nursery schools, kindergartens, special classes for various atypical children. It is appreciated that a fair percentage of these programs will be for the disadvantaged, drop-outs, etc.
- (d) Carrying out pilot projects and the operation of experimental schools and classes designed to test various programs and methodology designed for disadvantaged youth.
- (e) Working with the newer media to discover how best these can be used as contributors to alleviate inequality of educational opportunity and the development of new media as required.

Para. II Some writers and politicians have expressed the opinion that the advanced Western nations now have the potential to provide a reasonably high standard of living for every man, woman and child within their borders, and others see little reason why this cannot be extended throughout the world. They believe that the quotation, "For ye have the poor always with you" could well be made obsolescent. Yet at the same time they are acutely aware of pockets of poverty, of slum areas, of many families living at the subsistence level, and of an increase in disparity between the "have" and the "have not" areas and nations.

Para. III Although lack of income is generally the most immediate and most obvious concomitant of the condition of poverty, the "war on poverty" cannot be won simply through increasing the G.N.P. and dividing it more equitably. A more just society might be attempted through ensuring that every family earn more than \$3000 a year within a viable modified free-enterprise economy with some governmental control and with an acceptable taxation structure—a difficult task.

Para. IV Towards achieving this, education must be accepted not only as one of the factors necessary to economic advance, but as one of the means for stimulating disadvantaged youth to prepare themselves for economic independence and acceptance in the mainstream of middle class society. Education normally acts as the badge of entrance into many economy walks of life, and it may be the tool that unlocks many doors. Its correlation with poverty is high and negative; therefore it must be an important consideration in any attempts to reduce poverty.

Para. V This submission was not fashioned to provide a solution designed to eliminate poverty. Rather it was aimed at a consideration of how education can contribute to the individual through: ensuring that he can develop according to his nature; enabling him to compete without handicap in meeting job requirements; and being socially accepted, as these are requisites for the better life. Social research, with limited financial support, has had limited success in providing solutions to our problems. It has nevertheless made it clear to most researchers, and to some others, that family life, community organization and the schools can contribute to an important extent to the educational accomplishment of the children. Numerous research projects indicate that differences in school performance of children are attributable to factors located within these three areas. It is true, however, that not too much is known as to the relative contribution of each, or in what ways they work together or at cross purpose.

Para. VI Emphasis herein is on the disadvantaged, of whom the majority live in poverty areas, or with families in poverty. It is the hope of those concerned with educational improvement that they will eventually be in a position to suggest the kinds of programs which educational institutions might introduce under specified conditions to bridge the gap between the disadvantaged and their more affluent confrères, and in addition to provide information useful to federal, provincial and other planning bodies involved with problems of the poor.

Para. VII Discussion herein is essentially limited to considering contributions which formal education can legitimately make. It is assumed that appropriate well qualified persons will make the case for the home and for other institutions of society since no one of these singled-handed can be counted on to shoulder responsibility for effectively reducing the number of poverty stricken and disadvantaged members of society.

Disadvantaged Youth Among Persons Living in Some Relevant Information from Research Conditions of Poverty

Para. VIII Perhaps we might consider making a start towards identifying those needing special attention through ranking everyone in terms of being advantaged (assuming we could devise criteria to do it) and selecting the *lowest* 15 per cent of all ages, or 20 per cent of youth, to form the category "non-advantaged". If then we selected a second group of the same size using simple economic criteria, it is likely that a fair percentage of the members would be the same as selected for the first group. But many of those selected in the first grouping would not be selected in the second; and some of those selected by the second means should not have been included as they were not handicapped though poor. Our challenge is therefore to devise ways and means of selecting those "not-advantaged". In this we are most probably not looking for a single criterion but for profiles of characteristics which will identify youth needing special attention.

Para. IX Our disadvantaged population will be made up of a fairly extended variety of individuals, and even though the categories are not mutually exclusive but exhibit considerable overlapping, it appears desirable to establish such categories. There will be many disadvantaged essentially because of low economic status and everything that goes with it, whether living in congested or isolated communities or as left-out families. Some of these will be identified as coming from marginal rural land, others with congested city-centre areas or even sections of suburbia. There are also those with feelings of difference because of racial origin, some having a separate culture which makes it difficult for them to adopt the regular Canadian pattern. In addition, about two per cent are mentally or physically handicapped or emotionally disturbed to a degree where special attention is warranted.

Para. X Looked at another way, the population will also include potential dropouts, many of whom can be identified during their first few years at school, and the left-outs (mainly youth from the wrong side of the tracks with feelings of alienation from attending a heterogeneous school where the majority are affluent youth whose values in many ways are similar to those held by the teacher).

Para. XI It is likely that programs for the various types of disadvantaged should differ; and whether or not they need to be directed towards the community as well as the school may be an important consideration.

Para. XII Let us now turn to review some of the findings to date from research and development projects and observations in this area. In considering youth as disadvantaged because of a poor environment it is understood that cruelty, parental separation, accidents and such may be included although they are not separated out in this report. Nor do we consider the special problems of those with learning handicaps, nor suggest that differences in learning ability among normal pupils are exclusively the result of environmental differences. The position adopted here on heredity and environment is interactionist—the heredity factors are important for understanding and diagnosis; the environmental factors can be manipulated and are important in devising programs and providing treatment. A profile showing the native ability, interests, aptitudes and drive of each student can provide a basis for ensuring suitable education experiences and providing individual treatment.

Para. XIII Although most studies of the disadvantaged have been concerned with those who fail to achieve satisfactory progress in school, more information is needed concerning the behavioral characteristics and cognitive endeavour of those who achieve as well or better than their more opulent classmates. The "rags to riches" dream, based essentially on a minority, who in true Alger book fashion rose from newsboys to become industrial moguls, has often been used to extol rugged individualism, and to absolve society from responsibility for the ne'er-do-well. There is need for more studies concerned with drive and the impoverished.

Para. XIV Many studies conducted in this area during recent years have been concerned with the characteristics of the population. They have focussed on home environment, family status, language, cognition and intelligence, on perceptual styles and patterns of intellectual functions, and on motivation and aspiration. The usual home is described as noisy, disorganized, overcrowded and austere, and lacking such cultural artifacts as books, art work, and variety in toys. As compensation there is a lack of strain, acceptance of one's lot, a relatively low level of sibling rivalry, and the security of belonging to a large family. The children generally display anti-intellectualism, with fear of parental authority, especially in those homes which are ruled autocratically by the mother.

Attempts to Identify the Disadvantaged as a Special Interest Group

Para. XV In attempts to identify the disadvantaged group, individual and culture free intelligence tests

have been used. Since intelligence tests are generally composed of items which reflect native ability, school achievement and social background, they cannot be expected to measure potential of the disadvantaged. Nor should the scores be contrasted with scores from youth of good backgrounds as measures of native ability. Careful assessment indicates that poor living conditions may lower the I.Q. by as much as 20 points in exceptional cases—the difference between being feeble-minded and normal. The culture-free tests have yielded little better, and no more consistent, results.

Para. XVI Perhaps one appropriate use for intelligence tests is as indicators of the effectiveness of remedial programs. Achievement tests also have been used in attempts to identify the disadvantaged, but likewise have proven equally inadequate. Teacher opinion and socio-economic scales also leave much to be desired. Language tests can contribute to an understanding of the pupil but have limited value in diagnosis. One can only conclude that at present we should use as many objective data as available and supplement these with observations of home conditions and pupil behavior to decide which children need special attention, and the sort of help they need.

Para. XVII Studies to date indicate that in the long run we should go beyond the usual dimensions of cognitive testing and incorporate the testing of interests, aptitudes and creativity, etc. We will probably end up with profiles of abilities, personality characteristics and interests in part resulting from observations.

Language Development

Para. XVIII Many psychological and sociological theorists postulate the general premise that the educational hardships commonly observed among socially disadvantaged children can be overcome to a great extent through appropriate school experiences. They assume that the sooner these are begun the better, although the degree to which this is stressed depends on whether they consider that mental growth is linear, a continuous chronological development, discontinuous, or whether, following Piaget, to them mental growth is conceived as a fixed sequence of transitions through related stages, with each stage possessing a unique non-overlapping character.

Para. XIX Many of the studies which have been conducted in the field of language development have been designed to determine social class differences or to discover deficiencies of the underprivileged. Group differences have favoured youth from the higher socio-economic levels in practically all aspects of

language studies. Usually the language models of lower socio-economic levels are meagre, restricted and grammatically incorrect. There is also limited divergence and elaboration in such children's thinking and they are generally inept at labelling, discriminating, categorizing and generalizing. In terms of semantics (following the American school) they seldom rise in their thinking beyond the first level of communication, which is basically a one-to-one correspondence with concrete manifestations of reality. In simple terms they are bound up in the limited world with which they come in contact, and have little interest in abstractions or ideas.

Para. XX There is some evidence to indicate that delay in the acquisition of certain language forms can result in difficulty of transfer from concrete to abstract models of thought and will result in persons who are inferior in abstract conceptualizations and categorizations of visual stimuli, and in their establishment of systems of values.

Para. XXI Since language is man's means of communication with the outside world, youth with an impoverished vocabulary may feel so alien to the school climate as not to exert themselves to become part of it; or they may be frustrated because the language gap is too great; or, again, they may adjust to the new as to a separate world, eventually either to adopt the new or to revert to the old.

Para. XXII Current attempts to adapt the school program to the needs of the disadvantaged child generally fall into one of three categories: those supplementing regular courses with special comprehensive guidance programs; those using special materials; and those using available remedial and developmental materials under the direction of effective teachers. The opportunity for introducing such programs as these or others is probably better today than at any previous time as education goals aim to provide suitable school offerings for all children. Three programs which may be considered representative of those designed to compensate students for poor backgrounds are: The Demonstration Guidance Project, begun in 1956-57 in New York City for 717 pupils in junior high school and continued to 1962. It was a saturation program of compensatory educational services which provided for modifications, small classes, remedial instruction, cultural activities, counselling, and clinical and home services. The Higher Horizons Program, 1959-62 undertaken in selected depressed areas in New York was intended to "provide the kind of education that would enable disadvantaged children to compete with other children on an equal basis". It involved 64,000 children at all

levels. A comprehensive battery of scholastic aptitude and achievement tests, personal and social development scales and professional staff evaluations have provided an extensive data bank for further research. The Philadelphia Pupils' School Community Coordinating Team conducted a two-year study which placed major emphasis upon language arts and included special in-service training for teachers, innovations in instructional procedures and materials, and grouped pupils on reading ability test results. None of the results were conclusive, but better than average progress was generally reported.

Para. XXIII These and other studies, including Canadian projects, have all provided some evidence that compensatory educational services normally have some effect on the academic growth of children although the results leave much to be desired as it is impossible from the findings to determine which of the main types of service contributed to positive results, or whether the enthusiasm and special interest of those taking part was the most important factor.

Para. XXIV To date, then, we lack both conclusive evidence and validated specific methodology that could provide a basis for decision-making which would ensure the setting out of school procedures which could be counted on to overcome effects of most hardships. It may be that the theoretical bases of the programs are still weak, that implementation of the programs has been faulty, and that evaluation instruments and procedures have been inadequate. Certainly the "compensatory education" thesis should not be dropped. Nor, again, does the evidence suggest that present programs are not worthwhile but rather that there is great need for more work in the field, including carefully controlled experiments, if we are going to isolate the factors which contribute the most for the least expenditure, and those of most value irrespective of cost.

Para. XXV Studies should begin with pre-school children, some of whom need nursery school and kindergarten experience more than others. Some home situations result in inferior habits of hearing, seeing and thinking. Research evidence indicates that many children from substandard homes are seriously handicapped in communication skills and find adjustment unnecessarily difficult in the ordinary middle-class oriented school. Teachers who are not fully aware of the situation will have trouble in communicating and in providing learning experiences at the growing edge of learning for these youngsters. Teachers with middle-class attitudes and values who do not have lower-class orientation and cannot accept other than middle-class

children, can actually block learning. Teacher training should therefore be directed towards instilling this sort of understanding as one of its aims. Suitable films and tapes could be used in this.

The School

Para. XXVI The school is a creature of society which reflects the tacit or stated wishes of that society though with some lag. At the turn of the century one of its functions was the selection of those who would progress to its higher echelons. The aims of education were directed towards producing cultured individuals from those it found worthy, and secondly, towards preparing as many as necessary for the professions. True, there was some degree of snobbishness in this, but no one was unduly concerned as large percentages dropped out from grade five on with only the selected few reaching university. The schools were not blamed for this—they were to impart prescribed information and adjudge success with this. There was usually no problem of the dropouts finding manual or trade jobs. Blame was officially and unofficially imposed on children who, for one reason or another did not meet the standards as measured by examinations designed to test the acquisition of prescribed information and cognitive skills.

Para. XXVII The situation has changed drastically. In Quebec, for example, after the recent reorganization of the Department the first report of the Minister read: "The objective of the Quebec policy with regard to education is to assure to each one the maximum education of which he is capable and which corresponds both to his aptitudes and ambitions, regardless of his state of fortune or the place of residence of his family". Such a statement puts an entirely different emphasis on the function of the school and reflects new aims of education. To meet current demand the schools must be concerned with: awakening the child to cultural values; helping him to adjust normally to his environment; and preparing him for the later professional or technical training he must possess. It must stimulate and encourage him to cooperate with his fellows so as to be ready to help establish a civilization and culture for the glorification of man, while preserving the biosphere so that man's world will be a welcome home for generation after generation.

Para. XXVIII Although schools have for some time been adding courses and classes for atypical children they still have a long way to go in providing for individual differences inclusive of youth with strong and weak aptitudes, of which some are essentially

cognitive and some are related to creativity and other abilities. For the disadvantaged the school may provide for: remedial instruction; cultural enrichment intended to expand normal school activities; and efforts to overcome anti-learning attitudes and frustration. Pre-school activities including training in verbal skills and cultural enrichment may be provided, most probably separate from the school system. The above statement does not state what is and what is not education. The School Act and Regulations may provide rules and regulations concerning the teaching of religion, political and racial beliefs, discipline measures deemed acceptable, etc. but each school has a great deal of elbow room without transgressing the prescribed limits within which teachers and classmates may bend or direct the intellectual growth of each pupil.

Para XXIX With a large majority of teachers interested in ensuring that all of their students do well and mature as well-rounded citizens, the teachers should have help in making diagnoses, in knowing how to deal with relatively uncomplicated personality and emotional problems, and in having someone to whom they can refer more difficult cases, whether frustrated, emotionally disturbed or otherwise needing special attention. Although considerable work has been undertaken in this area there is still need for further efforts.

Para. XXX We have noted that the school is limited in its contribution, not only because the home, the peer group, and other institutions of society such as the churches are important contributors; but because most of the time the school first sees the disadvantaged child at age 6 or 7 and has him in charge along with many others for perhaps 12 years, 200 days a year, and 5 hours a day. Here most of the time is given to a school routine related to a fairly fixed course of study, examinations, etc. By the time the child enters school the other institutions have already had an important influence on his development and this continues throughout his school career whether their sphere of influence works with the school or against it.

Pre-School and Post-School Education for the Disadvantaged

Para. XXXI If we consider education as a lifelong process in which instruction may be given within or without the regular school system and of which some is informal, some formal, some educators should be concerned with meshing the two. Early schooling is an important part of all conditions designed to facilitate intellectual development.

Para. XXXII Currently there are several theoretical positions which have important implications for early schooling. Some behavioral scientists contend that the first few years of life are a critical period for development as it proceeds in a sequential and invariant order, that is, in "stages" or "levels" and relates to hereditary potential and physical maturation in the development process. The work of Piaget, Montessori and others is particularly relevant here. They suggest that deficiencies in environmental stimulation and opportunities to learn can result in irreversible damage. Some others, however, regard the developmental process and cumulative with each succeeding increment or stage building from the previous one. Bruner, for example, considers that the development of human functioning reflects the mastery of techniques transmitted by the culture or sub-culture of which the child is a member. Language is the primary technique for intellectual development and plays a powerful role in knowing, representing and integrating. Language deficiency results in the production of a disadvantaged child.

Para. XXXIII Perhaps this is enough to suggest that there are several theoretical positions vying for general acceptance and considerable difference in projects and policies formulated according to which position is accepted. However, while all agree that what happens during the first six years is important, there is no agreement as to the possible vital importance of being exposed to a stimulating, dynamic, yet sympathetic environment during the first few weeks, or first year, or the desirability of nursery schools at age 3 and 4 with kindergarten at 5 and 6. There is also considerable evidence to indicate that we have underestimated the learning potential of the average child.

Para. XXXIV Since there are disadvantaged children in most schools, and special schools for the disadvantaged, the necessity of providing specialist teachers for the latter will normally be accepted—the first is often unrecognized. Certainly teachers reared in upper middle-class homes and schools with middle-class values can hardly be expected to understand lower-class youngsters. Their professional training of one year with emphasis on subject matter and methodology does little to prepare them for problems in what is to them an alien situation. Without emphasis on individual instruction and some appreciation of the problem, many disadvantaged will be pressured to become dropouts. For them there is no simple solution.

Para. XXXV Major efforts at the post-secondary level are essentially of the last two decades and have not yet

reached their peak. These enlist high school graduates, non-matriculants, etc. Data from the U.S.A. show that greater numbers are enrolled in "schools" in the factories, stores and other such endeavour than in the formal education school system. In Canada numbers in community and junior colleges, trade and technical schools, and organized courses throughout the government, business and industry are rapidly rising. These courses may be pre-service, in-service, or other, and may be directed towards upgrading or rehabilitation.

Para. XXXVI Many of the courses mentioned above are of value to the disadvantaged, although perhaps those directed towards overcoming functional illiteracy and offering pre-service training are among the most important.

Para. XXXVII Although there are classes directed towards family education, it may be that greater efforts should be made in that direction, and in new ways, conducted by a new sort of social personnel using the newer media. There is considerable evidence to indicate that attempts to have youth bridge the gap from a setting with cultural ties to an alien "middle-class culture" may fail and be a frustrating experience ending in alienation and maladjustment.

Para. XXXVIIa The problem of comprehending learning disabilities of disadvantaged children and of finding compensatory programs requires a theoretical framework. Without such framework and the setting of goals we lack a basis for evaluating success of our efforts. Such a design might postulate that behavior patterns reflect the interaction of the individual and his environment, and that disadvantaged children live in an environment which fails to stimulate growth and produces unproductive and inappropriate behavior patterns and responses. The school can contribute to diagnosis and remediation of such responses and patterns. One problem in research is to identify needs and evaluate promising practices. There is need for more carefully designed studies, including those aimed at discovering methods and techniques suited to the disadvantaged pupil's way of life and his cultural milieu. The research undertaken should include both studies aimed at discovering basic information generally applicable, and applied studies which discover appropriate techniques for such special groups as those in marginal rural areas, those handicapped by language difficulties, Indians on reserves, etc.

Para. XXXVIII Opportunity for introducing special curricula for such minority groups as the underprivileged is today better than ever before as it comes at a time when there is a move towards providing suitable school offerings for all children.

Para. XXXIX Work in this area is going to cost money. Such efforts are not something teachers can undertake in addition to their regular duties, but an additional educational investment which can be expected to produce economic returns in the form of law-abiding, wealth-producing members of society. At the same time efforts should be aimed at reducing the number of misfits, unemployable youth, and anti-social problem cases. For the many law-abiding citizens who live at or near the subsistence level, it is hoped to provide more of the amenities of an opulent society. For younger children the aim is prevention, for older ones it is predominantly rehabilitation-oriented. Is this expecting too much of the schools and other social institutions?

Para. XL The Canadian Government has gone on record as favoring efforts towards the elimination of poverty and the helping of the large numbers of functionally illiterate who cannot meet job requirements of modern industry. Among other things, this assumes that more years at school will be reflected in a higher level of living and greater national prosperity. Educators are generally more concerned with individual development and the full life than economic adjustment. However, these objectives are not entirely in conflict. Nor are they necessarily opposed to society's wish to produce democratic law-abiding citizens.

Para. XLI Education has always been considered as strong medicine. Yet there is neither agreement as to just what education experiences should be offered, nor how they should be presented. It is here that research and development are most needed and should be incorporated into the on-going education process.

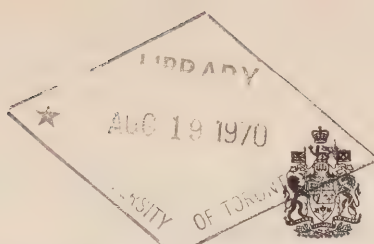
Para. XLII Current effort such as the survey by Dr. Ryan for the Vanier Institute and Economic Council and the NewStart program are valuable and represent desirable approaches. But they are not enough. There is need for a subsidized major mission-oriented program which makes provision for selecting and funding promising pilot projects and other research endeavour. Increasing numbers of researchers and developers could pool their findings and provide guidelines for still further endeavour.

Para. XLIII There is no quick or ready solution to poverty. If we are to help the disadvantaged we must see that they have more education. But before we can educate them we must first learn how to go about it. To make progress towards solving identified problems

of the disadvantaged we must devise a coherent and effective approach which will integrate research and experimentation, diffusion and dissemination, and provide for evaluation.

Para. XLIV Work in this area could be interminable. Urgency in reaching even tentative solutions suggests that goals be set, plans be laid and ample funds be provided.

Queen's Printer for Canada, Ottawa, 1970



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 47

THURSDAY, JUNE 4, 1970

WITNESSES:

Canadian Nurses' Association: Dr. Helen K. Mussalem, Executive Director; Miss Trenna Hunter, Past President.

Victorian Order of Nurses for Canada: Miss Jean Leask, Director in Chief; Miss M. Christine MacArthur, Assistant Director in Chief; Mrs. Rita Egan, Chairman of the National Advisory Nursing Committee; Mr. F. W. Troop, Treasurer.

APPENDICES:

"A"—Brief submitted by the Canadian Nurses' Association.

"B"—Brief submitted by the Victorian Order of Nurses for Canada.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, June 4, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Fergusson, Fournier (*Madawaska-Restigouche*), Inman, Lefrançois, MacDonald (*Queens*), McGrand, Pearson and Quart. (9)

The Honourable Senator J. A. Sullivan, not a member of the Committee, was also present.

In attendance: Mr. Charles Askwith, Administrative Officer.

The following witnesses were heard:

Canadian Nurses' Association:

Dr. Helen K. Mussalem, Executive Director;
Miss Trenna Hunter, Past President.

Victorian Order of Nurses for Canada:

Miss Jean Leask, Director in Chief;
Miss M. Christine MacArthur, Assistant Director in Chief;
Mrs. Rita Egan, Chairman of the National Advisory Nursing Committee;
Mr. F. W. Troop, Treasurer.

The briefs submitted by the *Canadian Nurses' Association* and the *Victorian Order of Nurses for Canada* were ordered to be printed as appendices "A" and "B" respectively to these proceedings.

At 11.50 a.m. the Committee adjourned until Tuesday, June 9, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Ontario.
Thursday, June 4, 1970.

The Special Senate Committee on Poverty met this day at 9 a.m.

Senator David Croll (*Chairman*) in the Chair.

The Chairman: I will call the meeting to order. We have the Canadian Nurses' Association. On my right is Miss Trenna Hunter. She is the past president, and next to her is the very distinguished executive director, Dr. Helen Mussallem.

Would you please proceed.

Miss Trenna Hunter, Past President of the Canadian Nurses' Association: Mr. Chairman and members of the committee, I would like first of all to express our appreciation from the Canadian Nurses' Association for this opportunity to present the brief.

Dr. Mussallem is with me and although she says I am to be the chief speaker and she the back-up person, I wish that it were reversed because she is in the position of being the Executive Director of the Canadian Nurses' Association. However, we are both happy to be here and to speak to the brief.

You have had the brief. I am sure that many of the observations and proposals in it are beginning to have a very familiar ring and you must have heard similar ones from a number of other groups.

In preparation for the submission of this brief, I undertook, as a former public health nursing director, to visit again in the homes of some of the poor in my city, to see whether or not the face of poverty has really changed since my last contacts with such groups.

I found that very little change had come about in the last few years. Poverty is still poverty with many of our people. I chose to visit in some of the poorer sections of the city and I asked if I might visit with a public health nurse.

The home that we went to was on the ground floor of a very dismal, unpainted,

2-storey house in a poor part of the city. The mother, who met us at the door, was young, in her 30's. She had been rather pretty but was beginning to be a little faded. She had six children. She was on social assistance and there was no husband in the picture.

When we went into the living room we found a cheerless room, dirty green walls—it seems to be in my observation the walls are always green in these poor homes—a very bare floor and very little furniture, a sagging chesterfield with the stuffing coming out of it, and this is typical too of a poor home. The chesterfields always sag.

In one corner was a television set turned on... it was the middle of the morning... and in the other was a wood-burning stove and the pile of wood in the corner took up a fair space in this poor room. There was no sign of a toy, a picture or a book or anything of this sort that would indicate that any of these things really mattered to people. A little round-faced pretty child of three was sitting on the chesterfield and at the moment the picture she was watching was a French cooking class. The child could recognize the flour and she said proudly to me "Flour, eggs" and so on as she watched the cooking class. I do not know how much she was getting out of it.

It was a dismal, cheerless place to be called home. The two girls in the family, 10 and 11, were going to a social adjustment class to try to see if something could be done about their lack of friends, and the fact that they were so unpopular at school and so unhappy at home, and the nurse was interested to hear the mother say that at last they were beginning to get a friend or two but it was not the sort of home that one would think of bringing any one home to or indeed that anyone would hurry home to; and illness had been constantly with one or another member of this family.

Now, there are thousands of similar families, some worse and some a little better off and they are scattered from the shores of Newfoundland right through this great country to some of the remote fishing villages in British Columbia.

You have heard about many of these and I am sure that you are well aware of the problems and feel deep concern for some of the solutions; and I thought as we reviewed our brief, we would try to remember we are really talking about people and families like this and not just about statistics.

Looking at the brief, on page 1...although I am not going to read very much of the brief, I want to review some of the recommendations here and add some examples possibly so that it will be a little more meaningful.

In our first summary we have indicated that the professional nurses of Canada are concerned with the total health care of individuals, not only individuals but family and community, and although most people, when thinking of nurses in our traditional role, think of the care of the sick, we think that it is of equal importance to think of the nurse in her role in the prevention of illness and maintenance of health.

There are a large number of professional nurses, 82,000 at the moment, and I think, Dr. Mussallem, there are many more than that who are actually nursing but are not members of the C.N.A. Is that right?

Dr. Helen K. Mussallem, executive director, Canadian Nurses' Association: There are about 130,000 registered nurses.

Miss Hunter: About 130,000 registered nurses, and by the very nature of our job as nurses, we are constantly exposed to various aspects of poverty. The very weight of our numbers and the fact that nurses are, of all the professions, probably closer to the patients, closer than the doctors, closer than the social workers and closer than other people in the helping profession, they have therefore greater knowledge maybe of the things that are happening to some of these people.

We could not begin to document all of the situations and so in our brief we have tried to set out only broad and general impressions.

An axiom of good medical or nursing care is to treat the cause rather than the symptoms and I think that is our appeal today, to try to think of the prevention of many of these illnesses.

However, when we come, as nurses, to think about some of the causes which are rooted in economic conditions, we feel that these are very much beyond the jurisdiction of nursing care and many non-responsive to the healing arts.

We know that we are making observations and recommendations that are costly and as we are not economists we do not feel competent to recommend how many of these costs should be met. We do believe, however, that the health of our population is of vital concern to the people of Canada. The cost of health service is rising and you are aware of the Task Forces' job of trying to do something about rising costs.

Looking at these figures again in 1957 the total bill for health care was \$1.7 billion. In 1967 it had risen to \$3.7 billions and in 1972 they expect it to be \$6.2 billion, a rise of 10 per cent per year. No wonder that we must all look at the cost of health care.

It has been well documented in many studies that poverty is a major contributing cause to ill-health and certainly an impediment to the maintenance of good health. If we could do something about poverty as a contributing cause to ill-health, undoubtedly the total cost of health care could be decreased because we would have lesser numbers involved in the poverty programmes.

The nature of the recommendations we propose to make later in the brief are summarized in these first few pages, in three paragraphs really.

First: that provision be made for the education and effective use of more public health and other types of nurses as a means of preventing illness as well as speeding recovery; and that more effort be devoted to experiment to seek better methods of bringing health care—we have said—to the poor because our brief is about the poor but certainly we would feel that this was necessary for all segments of population, and that simultaneously greater efforts should be made to coordinate the knowledge and services of health and welfare agencies at the delivery level.

We are always concerned about duplication and fragmentation and too many people trying to do the same job with others being left out and thirdly that more consideration be given to establishing an economic level at which good health can be maintained, not only by the dependent poor, that is those already on some form of assistance, but also by the independent poor, whose meagre, but hard-won, savings from an earlier period in our economic history are depreciated by inflation.

In our brief then we have given something about the background of the Nurses' Associa-

tion and you have read that, and we have gone on to a definition of poverty which we have taken, I am afraid, from somebody else's definition, and then we have tried to go in again to why Canadian nurses are concerned about poverty and health, a repetition of what I have just said.

On page 13 of the brief we have our recommendations in more detail and we have made statements in paragraph 48:

Professional nurses are not economists but they can be considered front line workers in helping those embedded in poverty to extricate themselves and to have opportunities to lead healthier lives.

And we are wondering whether or not this statement can be challenged or is this something that we can think about? There are large numbers of public health nurses—not nearly enough, of course—but of all the health professions probably they are the largest in round numbers and so their contacts are many and varied.

As I have said before, they are very close to the people they serve. Nurses are accepted. I am always surprised how well they are accepted in the homes of most of the people in their community. They have become well-known and people do turn to them for help. Could we then think of them as frontline workers?

Now, I think I need not go any further in going over the brief but both Dr. Mussallem and I would be glad to add to any of the points raised or offer some illustrations of some of the things that we mean.

The Chairman: Doctor, have you anything to add?

Dr. Mussallem: No, thank you.

The Chairman: I have Senator Fergusson, Senator Fournier and Senator Quart and Senator Inman.

Senator Fergusson: Thank you very much, Mr. Chairman. We are certainly very grateful to the Canadian Nurses' Association for coming before us and giving us their help and the knowledge that they have is certainly very specialized because they are not theorists. They are meeting the very people that we are hoping to help and I found the brief most interesting.

There are a great many things I would like to ask but I thought I would like to ask you

one thing about Alberta. You spoke about Alberta in paragraph 33. You say:

Alberta has provided us with one example of good institutional care for the elderly...

and certainly from our studies and from what you have said the elderly are a large proportion of the people that need help.

Would you tell us a little bit more about what they do in Alberta and what their programme is.

Miss Hunter: I am not as familiar with this as I might be and I do not know whether Dr. Mussallem is, but they do have very good residences for their elderly people.

Senator Fergusson: Do you think that is the way to take care of them?

Miss Hunter: That is part of it. Personally I think that elderly people should be maintained in their own homes as long as they possibly can be, with the kind of help that they need; home-making services, housekeepers who can come in and help for a few hours, such programmes as Meals on Wheels, for those who temporarily cannot provide meals for themselves, visiting nurses services for help they may need in that way if they are ill and in all ways they should be maintained at home as long as possible.

Then I think housing is the next thing for them at some sort of rent that they can afford. This is one of our problems. And then they also need attached or available some kind of nursing facilities should they become ill and no longer able to stay in that kind of facility and that Alberta has too; so that they can move from the housing into a nursing institution or hospital, if you like, and back into their home again.

Senator Fergusson: All part of the same complex.

Miss Hunter: Yes, yes.

Senator Fergusson: They are not going to a strange place?

Miss Hunter: Yes, that is right.

The Chairman: Doctor, do you know anything about it particularly?

Dr. Mussallem: I could not add anything more than what Miss Hunter has said.

The Chairman: What they do have to my knowledge is that they have what they call

cottage housing—no high-rises—four or five in the family and in a community with medical services and other services available in that immediate community. It is sort of a community of its own.

Senator Sullivan: Mr. Chairman, you remember Senator Gershaw spoke on that when they were beginning a few years ago.

Senator Fergusson: And do they not have a community kitchen?

The Chairman: Yes, but go ahead, Senator Fergusson. We will all add to it as we go along.

Senator Fergusson: For instance, you mentioned Meals on Wheels. This is something in which I have been greatly interested for years and I know from having visited some of these places in all parts of Canada, they are all, as far as I can recall, volunteer organizations that are doing it.

Why I am asking you this question is that in New Zealand I saw it being done and the only voluntary part that was being done was the delivery of the meals to the patients, or clients, whatever you call them, but everything else was done by the government.

Do you think this should be government-supported or do you think we should let it continue as voluntary, or do you think perhaps doing it in a voluntary way is sort of pioneering and perhaps if we could sell the idea well enough, the government might take it over?

Miss Hunter: My experience with Meals on Wheels is that it is voluntary too.

Senator Fergusson: That is mine, too.

Miss Hunter: But the meals are paid for by the individual.

Senator Fergusson: Yes.

Miss Hunter: At cost, of course.

Senator Fergusson: Yes, but there is always some expense for administration.

Miss Hunter: Yes. As a matter of fact I was delivering Meals on Wheels myself last Friday as a volunteer in our community because it is a church organization that does the actual work of delivery and it certainly fills a real need for a number of people.

Now, whether or not government should be doing it I think is difficult to say at this time.

Senator Fergusson: It is quite a burden on the volunteer organizations to have to undertake it because if you undertake it you cannot do it for a little while and then drop it.

Miss Hunter: No.

Senator Fergusson: You have to keep on.

Miss Hunter: No. It takes dedicated people to keep it going. I have also visited Meals on Wheels programmes in England and it was volunteer effort there but they had volunteers cooking the meals too, and I think that is more difficult.

I think if you make some arrangement whereby you are using a set-up that is there already, like a restaurant or some such service...

Senator Fergusson: Some of them do cook for them. Down in Fredericton where I live they cook them themselves.

Miss Hunter: Yes. It is hard to maintain that interest always, I think, and therefore maybe it would be wise to have some help from government.

Senator Fergusson: But it is quite a popular thing to appeal to people, is it not?

Miss Hunter: Yes.

Senator Fergusson: I remember in New Zealand people told me that sometimes people only had a turn. You know, there were so many volunteers who were willing to do this. Perhaps I would only have two days this week and not again until six weeks from now.

Miss Hunter: Yes, that is right.

Senator Fergusson: But the people were so keen about it, they would say "Do not let me lose my place because I want to keep it. My husband will come down and do it, if it is necessary."

Miss Hunter: It is a service which seems to appeal to volunteers.

Senator Fergusson: And a valuable service, I would think, too.

Senator Quart: May I just have a supplementary on this? In England, where we were living, the WBS pioneered that and I visited with them many of these places, but I know in Canada your VON, who will be here later, do it in some places too.

Now, Senator Fergusson mentioned about the volunteers versus government. Now, I know meals are being cooked in one locality by restaurant caterers who charge so much to the customer. Now, if the government took this service over as delivering meals, let us say, would it not be the next step to say "Well, we want the meals for nothing"? And do you not think that the volunteers do just a little more for the patient in many other ways? Just by saying "I will do a message for you" or I will do this extended service for the party to whom they deliver the meal, the elderly person or whatever it is.

Now, I may be very wrong, but do you not think that if somebody was paid to do the job, let us say, they would do the job of delivering and then it would stop there. They would not take on any additional services, whereas the volunteer is not paid. She is doing it through dedication of some sort, that she will follow on and probably help that person in a much greater way.

I know it has been done in one community. When the person recovered sufficiently not to want Meals on Wheels, they found her a job.

The paid person would not do that, in my opinion.

Miss Hunter: I like the idea of the volunteer help doing it, I must say.

Senator Fergusson: I do not entirely agree with that because I think many nurses are very dedicated people.

Senator Quart: Oh, yes.

Senator Fergusson: If they saw the need they would also follow it up.

Senator Quart: Oh, yes, I agree there too.

The Chairman: Go ahead, Senator Fergusson.

Senator Fergusson: I did mention the fact that nurses are the people that really come in contact with the part of our citizens who are suffering from poverty, but you know, most of the nurses do not come from that area. Is there any problem about the fact that the nurses usually are not from the same socioeconomic background as the poor? Does it make for lack of understanding?

Miss Hunter: Lack of educational opportunities?

Senator Fergusson: No, I am thinking about the nurses.

Miss Hunter: So that they themselves becomes nurses. Is that what you mean?

The Chairman: No, that is not what was meant.

Senator Fergusson: No, it is the other way around. I am wondering if it is harder on the nurses who have never had this background to understand the problems of the poor people. Do you find that at all. Is there a feeling at all of people saying: "It is their own fault if they are poor, they could do better."

Miss Hunter: The fact that they might be trying to impose their standards, you mean, from their own personal background?

Senator Fergusson: And whether it is difficult for the nurse.

Miss Hunter: Yes. I do not know that it is difficult. As a matter of fact being a director of nursing for some years and having to decide where nurses would work in an area—a great number of people prefer to work with the poor because they feel there is so much they can do in helping them more than they can with the middle class or upper class people.

No, I do not think it is a problem.

Senator Fergusson: I just wondered if you had found that at all. That is all right, then. Thank you.

Senator Fournier: Mr. Chairman, I have three short questions this morning but I will come back later. The witness has said there are approximately 130,000 nurses in Canada and in your Association you have 82,000. Where are the other 48,000? Why do they not belong?

Miss Hunter: Dr. Mussallem will explain about the registration.

Dr. Mussallem: Actually, this is in the Province of Ontario. In the other provinces members that apply for registration and become registered nurses are also members of their association.

In the Province of Ontario you can be registered at the College of Nurses of Ontario without becoming a member of the Registered Nurses Association of Ontario, which is one of the ten Federated groups of the Canadian Nurses' Association.

Senator Fournier: Well, I do not know if I understood the answer plainly but I still come

back to my first question. You have 130,000 registered nurses?

Dr. Mussallem: That is right.

Senator Fournier: And in your Association you have 82,000 members.

Dr. Mussallem: Yes.

Senator Fournier: Where are the other 48,000?

Senator Sullivan: Married and have children.

Dr. Mussallem: No. The other 40,000 registered nurses are in Ontario. They do not belong to the Canadian Nurses' Association. They are licensed to practise nursing as a registered nurse and they have chosen not to belong to the Registered Nurses Association of Ontario.

Senator Fournier: Do you have the same situation in all ten provinces?

Dr. Mussallem: No, it is unique to Ontario.

Senator Fournier: All right. Now, next question is: as I understand it in your Association your nurses are working mostly in hospitals.

Dr. Mussallem: Yes, roughly 80 per cent, Senator.

Senator Fournier: ... Are in the hospitals.

Dr. Mussallem: ... Are in the hospital service, that is right.

Senator Fournier: And the others are providing home care and are they on the road and in the field?

Miss Hunter: They are working in various other fields. If you look at paragraph 37, there are 7,900 nurses engaged in public health work in Canada and there are others working in industries, in doctor's offices, for example, and in various kinds of clinics and outpatients services and many other places besides hospitals.

Dr. Sullivan: Giving the doctors advice?

Senator Fournier: The other question is: you mentioned, I think, in your statement that in the last five years you have seen very little change as far as the poor were concerned?

Miss Hunter: Yes.

Senator Fournier: I would like you to elaborate on that because of the fact that we have spent so much money on welfare. Is not all this money reaching the right people? Where is it going? With all the money that has been spent all across the country for welfare, you would think you would have seen some improvement with the poor when it comes to health, and then you mentioned the case where you visited the home.

Miss Hunter: Yes.

Senator Fournier: I can visualize this home as you saw it. Now, I was wondering whether if you added a few more hundred dollars to this home you would improve the situation or would it be a case where sometimes the woman in charge of the home has a tendency to let everything go? That may be the way you find them. Would more money resolve the situation if you gave another \$500?

Miss Hunter: More money alone, no. I don't think so, not alone. I think many other factors enter into it. I think they need more education, more help with managing homes. Some women just do not manage well and they need assistance to help them to learn.

For example, their knowledge about how best to shop. How best to spend their food dollars, how to get the most for their money for their children. These things they have to learn. It is not always nursing that can do this kind of job, but some kind of help in the home. No, not money alone. They need other things as well.

Your first part of the question: is the money going to the right people? Well, I cannot answer that. I think it is going to the people who have demonstrated the need for financial help but there are also many other people who are not on any kind of welfare. They have no social assistance. They are what we call the independent poor. They are either under-employed or they are not working enough to have a sufficient income, but not as much as if they were on social assistance. They still would rather work than accept any kind of social assistance.

There are some of the other independent poor, the people trying to live on old age pensions alone, the people who have had savings and just trying to get by on that amount of money and these people do not have the additional aids they would have had they been on social assistance.

For example, in the Province of British Columbia these people on social assistance

have medical coverage—well, I guess other people have medical coverage now—but along with medical coverage, should they require a prescription for medications, that is provided for them. They can get glasses. They can get appliances of various sorts, whereas the independent poor person who has no medical coverage of that kind—true, now as I say, most provinces have medical coverage. They can get their doctor paid for but they cannot get their medications paid for nor some of the other appliances paid for.

So, they struggle along, you know, trying. The price of various things has gone up so I feel their plight is no better than it was five years ago and sometimes worse because of the general cost of living increase.

Senator Fournier: Thank you, Mr. Chairman, I pass.

Senator Quart: Miss Hunter, in your brief at pages 9 and 10, paragraphs 28 and 29, you say we ought to capitalize on the concern of poverty groups and make use of their natural leaders to teach basic health practices and worth with public health agencies.

Now in mentioning this I am really thinking more about the Indians than the poverty group and is it not true that the most vociferous and influential of these leaders, especially those of the Indians, want nothing to do with government departments and agencies?

I received a letter—maybe you know her—from Mrs. Celia Pope of Toronto. I have been corresponding with her for years regarding these things, but she mentioned in connection with some of the attitudes taken, particularly by Indians, would it not be a great advantage rather to use the St. Yvettes Co-operative as a sort of starting point to get them doing their own things and all this sort of thing?

Also does the Canadian Nurses' Association encourage Indian girls to become nurses as well as the males to become male nurses? I had the opportunity last week of seeing one graduate at Cornwall and there is a real field for that and would probably take some of them off the unemployment list.

Miss Hunter: Certainly, I would think...

Senator Quart: Is there any manner or means where you contact any of these Indian girls maybe to become nurses?

Miss Hunter: I think there are Indian students, are there not?

Dr. Mussallem: Yes.

Miss Hunter: In every province probably.

Dr. Mussallem: The opportunity is available for all, and there are a number of Indian girls that are in schools of nursing across the country and of course they have to meet the educational requirement.

This has been a problem in the past, but I understand it is improving. I would also like to mention that a good many of the provinces have made a concerted effort to attract more men into nursing. Unfortunately the percentage has risen very slowly as far as Canadian male graduates are concerned. I think about 50% or more of the men now practising nursing in Canada have graduated from outside Canada; Great Britain or one of the other countries.

Senator Quart: Are there many male nurses in Canada?

Dr. Mussallem: Yes, I can give you the exact figure, if you wish. I think there are around 500. It is a very small percentage of the total practising and that number is rising very slowly.

The Chairman: How does that compare with the percentage in other countries?

Dr. Mussallem: It is slightly lower than the United States and much lower than France and England.

Senator Fournier: Could you give us the reason for that?

Dr. Mussallem: The reasons are hard to give, Mr. Chairman. One makes generalizations. I would suggest there are cultural reasons. There are different opportunities for men in Canada.

In discussing it with individuals, if you could generalize, just on casual observation, it appears that being a nurse is not considered in Canada at this moment just quite the appropriate occupation for a man, but this would be a personal observation.

Senator Fournier: Is money a factor in that?

Dr. Mussallem: Money is not as much a factor at this time as it was 5 or 10 years ago, although it has some bearing.

Senator Quart: There was an article about this male nurse at Cornwall and would it be because the training period would be perhaps one male nurse with probably 75 or 80 women.

Would it be possible to have training for them, if you have sufficient numbers, even across Canada, to have them trained together rather than with the girls? I do not know, I think their feeling would be not to want to train with the girls but probably that is one of the reasons because I spoke with this gentleman and I told him he was "Blessed art thou amongst women" because he was the only one. I said to him "Are you going to miss them?" He said "Look, I am so happy to be rid of them, I am going to sneak out by the back door," so I was wondering if that would be a factor.

Dr. Mussallem: It is a factor, Senator Quart, but they are allowed to choose their own school. Some of them choose to go where they may have a friend going. Others of them have gone through on their own but the numbers are still very small.

Senator Inman: Well, Mr. Chairman, I too would like to congratulate the nurses for contributing this brief to us. It is most interesting and most informative with regard to the question of our study on poverty.

On the first page, in speaking about the 82,000 nurses for our 21 million people, what better inducement could you suggest to induce people to train to be nurses? We know there is a shortage of nurses and girls are not going in for it like they did a few years ago. Have you any suggestions to supplement that and to attract them to the profession?

Miss Hunter: Again I think this is Dr. Mussallem's field more.

Dr. Mussallem: You are quite right in saying that the percentage of young women going into or choosing nursing as a career is dropping. The absolute numbers are increasing. There were over 10,000 young women and men who entered our schools of nursing last year.

You mentioned a shortage of nurses and I think at this time and women in history we have to look at these words rather carefully. Over the past three years in the major cities across Canada and in some of the smaller cities as well, there has been reported to us something for which we were unprepared, and that is that there were no staff positions available for nurses.

Now, it may be termed over-supply. It may be termed a poor supply, but in such provinces even now where we thought there would always be a shortage, such as Prince

Edward Island and Newfoundland, they are reporting that in their major cities they have more nurses than can be employed.

We are not suggesting that if there were more nurses, and there are more nurses, that they should be employed, but for all the budget positions available through from Vancouver to Montreal and across, a staff nurse at this moment cannot get a position.

Now, you talk about shortages and again among Canadians where you make a positive statement you can always dispute it.

In the outlying areas, the least desirable, shall we say, living areas for young women there is a shortage. They are unable to attract them. Your question: should we not be attracting more nurses or what can we do to induce rather more students to enter schools of nursing, I think we have to take a serious look at the situation at this time. This has developed very quickly.

Senator Fournier: May I ask a supplementary question?

The Chairman: Please just one moment. Let the doctor finish her story for the moment because she is getting into it.

Senator Fournier: I thought she had. I am sorry.

Dr. Mussallem: Yes. Well, actually this is one of the areas in which we are now working with one of the sections in the government, the Manpower group, in order to find valid statistics to make sure that this is the situation and if it is, we would hope that there would be new programmes opened up so that there would be more available nursing positions, but I know again this goes back to economic programmes and to the provinces.

Senator Fournier: I would like to clarify this point. I am not a doctor or a professional person. I am just a common layman, but when I go to a hospital I understand, from my point of view, that a nurse is somebody who is going to take care of me on a sick bed, and you mentioned that many nurses could not find staff positions. What is a staff nurse? Is she the one that actually works with the patients or is she in the administration business? It makes a difference with me.

Dr. Mussallem: Yes. Thank you for asking the question. A staff nurse is a term that we use that is the first level position and the person who works at the bedside, if it is in the hospital. A person may be called a staff

nurse in the community as well. This is a common term and this is where there are no vacancies.

There are, however, many vacancies in the head nurse, supervisory director of nursing positions in hospitals but a staff nurse is sometimes called a general duty nurse, a variety of names.

The Chairman: A patient nurse.

Dr. Mussallem: Yes.

Senator Sullivan: Mr. Chairman, I will only be brief. You made a statement that you thought there were fewer staff positions. Now, with the nursing sisters of St. Josephs and the different hospitals that they have had all over the country, there are fewer and fewer sisters occupying staff positions in the hospitals today and there are more positions open for staff nurses as a result of that.

Now, how do you correlate what you said with that particular finding? I can see that definitely with St. Michael's Hospital, St. Joseph's Hospital. I could name you a dozen.

Dr. Mussallem: Mr. Chairman, I did not wish to imply when I used the words "there are fewer staff positions..." There are a limited number of staff positions. I am not suggesting that the numbers have been reduced. If I could just re-state my comment: at the present time in these major cities across Canada there are no openings for nurses who seek employment as staff nurses. I am not suggesting that they have cut down the numbers but we have an oversupply of nurses, if you want to put it that way.

Senator Inman: Well now, to go a little further with this. I come from Prince Edward Island which, as you know, is a very small province and mostly rural. I am a great admirer of nurses. There is one thing we have been finding down there, and that is, it is very difficult to get a nurse to go to the country to nurse in the home.

Now, they used to do that a great deal. Today they do not want to do it. Could you comment on that a bit.

Miss Hunter: Yes. I think that is somewhat what Dr. Mussallem was saying. There are no positions in the major centres but there are vacancies in the outlying areas of every province, both in the public health field and I am sure in small hospitals and it is like everything else. You know, the lawyers, the doctors

and various other professional people seem to want to not go out to the furthest reaches of our country.

The Chairman: At this point, Doctor, is the income, broadly, for nurses being maintained or has it been increased? Is it the income that is troubling them?

Dr. Mussallem: In the outlying areas or generally?

The Chairman: Generally.

Dr. Mussallem: I think if I could make a general statement, over the past five to ten years nurses' salaries have improved. There is no doubt about that and no question about that, and it is all documented. The problem perhaps is, and again it is a generalization, that nurses were rather reluctant to press for higher salaries until quite recently and people tell us—again, this is not my quotation but what other people have said—we are ten years late in starting, so that when salaries are increased this time it adds such a heavy burden to the health costs that hospitals and many agencies cannot cope with this.

Whether or not nurses are paid sufficiently for the responsibility they have and the education is a moot point. I think we could argue all day on that.

The Chairman: I was not asking that. That is their business.

Miss Hunter: May I just interrupt for a moment? I do not think I quite answered Senator Inman. I am always surprised, though, Senator Inman, with the fact that you can eventually fill positions in some of the remotest areas.

I work on the Committee of the Canadian Red Cross that is responsible for the outpost hospital nursing service in the far parts of the country, and I am just intrigued with the kind of job that those nurses do in the outpost hospitals where there is no medical person anywhere near except by radio-telephone, and they have to fly their patients out or get them by boat.

They always seem to be able to fill those positions eventually with the most venturesome kind of nurses who like this pioneer kind of work.

I think with our Indian and Northern Health Services—sure, they have vacancies every so often but they do eventually fill those positions.

Senator Inman: I was thinking really in a case where we will say there is a woman who is very ill on a farm and perhaps for some reason—she has a lot of young children—does not want to leave her home and it is difficult (and this I know from experience)—it is very difficult to get a nurse to go out there.

Miss Hunter: Yes, I see, to stay.

Senator Inman: But they used to do this.

Miss Hunter: Yes, that is true.

The Chairman: Senator, did you ever try to get a doctor to go out?

Senator Sullivan: You can't even get a doctor.

Senator Fergusson: Dr. McGrand always did.

The Chairman: Senator McGrand's kind have gone but he is here.

Senator Inman: I have another question. In an ordinary community of four or five thousand people, how many nurses would you think should be there to serve a community like that; that is, just for ordinary living?

Miss Hunter: Are you thinking of nurses staffing hospitals or public health nurses?

Senator Inman: I was thinking of public health nurses.

Miss Hunter: In a community of four or five thousand people. Again, so much depends on what you expect of the public health nurse. Is she to do the home nursing and bedside care as well as it come up. Is she to do the school nursing? Is she to do the prenatal clinic?

It depends; so it is hard to set a ratio.

Many years ago I think our American counterparts undertook to set a ratio of public health nursing to population. I said it has been one of the things I have been troubled about all these years because they set a figure and everybody sort of took that figure, and regardless of what they were expecting of them, they stuck to this figure and said, "One nurse to five thousand." It was quite unrealistic in many cities, depending on many factors. Has she a long way to travel; is it a city area; and what is she expected to do? So I think it is hard to set a ratio for that reason. It is depending on what you expect of her.

Senator Inman: On page 20 you speak about educational programming. How many trained leaders are there in this program?

Miss Hunter: Is this the particular one for the Northern Health Services that you are speaking of?

Senator Inman: Community.

Miss Hunter: On Appendix 5, yes.

Senator Inman: Yes. The medical services branch of the Department of National Health and Welfare.

Miss Hunter: I do not know how many. The reference is in the medical services branch on the next page there of the Department of National Health and Welfare. I do not think it is a great number at all but it is certainly a start and they are very pleased with the way this program has taken on.

Senator Inman: It is an excellent program and I was wondering how people are taking to it.

Miss Hunter: I think very well from what they report.

Senator Inman: Then on page 22 you speak about grants. Are there many candidates for these grants:

That the Council conduct and provide grants for research in the medical, biological, and related sciences...

and so forth.

Miss Hunter: Again, Dr. Mussallem I think I can speak to the candidates for such bursaries as we have, the ones that we do have.

Dr. Mussallem: All I can say, Mr. Chairman and senator, is that very few nurses have qualified or have received money from these grants. This is one of the great problems facing us in nursing today in Canada, to provide advance preparation for nurses for leadership positions and I would just say parenthetically that Canadian nurses have set up a foundation into which they put money to grant scholarships.

There are Dominion-Provincial matching grants as well as grants by a variety of agencies, but the grants from this Council I would have to say to date have been zero insofar as granting to a nurse per se. Some have gotten them from other means.

Senator Inman: You speak of public health nurses and you mention the load is very

heavy on them and I know that, too, from personal experience.

What would you think of having a nurse's aid as we call them, or nurse's assistant with them to help?

Miss Hunter: Yes, I think...

Senator Inman: Is there any possibility of that?

Miss Hunter: I think this is being done in many centres, Senator Inman, yes; nursing assistants and nursing aids to do a lot of the clerical, maybe routine housekeeping kind of jobs that no longer need be done by the professionally-trained person.

Yes, that is done.

Senator Inman: Well, is there anything being done to induce nurses to go into the public health field? What induces them to go in the first place?

Miss Hunter: What does? Well, I suppose, again, a variety of reasons. I hope that many of them go into it because they feel prevention is more important than cure—not more important, but that we should be spending a good deal more time on prevention than on curing.

Senator Inman: And they are also interested in people.

Miss Hunter: They also like the freedom of working rather more independently and getting right out into the homes of the people rather than seeing the people when they are in the hospital bed and ill. That is one of the reasons.

I suppose other reasons would be desire to do this kind of work as against the more formal setting of the hospital walls. That is part of it, and they may have many other reasons.

Senator Inman: Well, with the guaranteed annual income, in a way, if that did happen, it would make the work of the public health nurse a little easier and she may find not such bad conditions perhaps in the homes she has to see and work with now.

Miss Hunter: Certainly lack of income is a real problem.

Senator Inman: Do you think that would be a good thing?

Miss Hunter: Lack of income, from whatever source, is a real problem when you are

trying to help people solve their health problems.

Advising people to have dental work done, for example, for the children when there is no hope of paying for it is certainly rather frustrating.

Senator Inman: Well, it must be very discouraging for public health nurses and I know this because I have been along with them sometimes and gone into the homes to find that there is just nothing there; not even enough food for the next meal.

Miss Hunter: This is true.

Senator Inman: Now, the guaranteed annual income may help them to a great extent.

Miss Hunter: I would think so. An income from some source is certainly going to be helpful but I do not think it is the whole answer as we said earlier. I think they have to have education and help of other kinds.

Senator McGrand: You referred earlier in your remarks to two girls, ten and twelve, or so, who were attending a social adjustment class.

Miss Hunter: Yes.

Senator McGrand: Now, of course, I can understand there are many reasons for this sort of thing going on. Would you give your personal opinion and list in order of importance the things that lead to this sort of thing, because, to me, it is part of the culture of poverty, is it not?

What are the most important things that cause this sort of thing in these homes?

Miss Hunter: I am not sure what you mean by "causes."

Senator McGrand: You referred to two girls that were attending social adjustment classes.

Miss Hunter: Yes. I think I understand the question. The reasons why these children would need this kind of treatment.

Senator McGrand: Yes. How did they get that way?

Miss Hunter: Well, again, one would almost have to be a psychologist or a psychiatrist to understand the behaviour of children or why these two children needed and other children would not need attention.

Senator McGrand: Well, it is something that grows up in the environment?

Miss Hunter: Yes.

Senator McGrand: ...in which they are in.

Miss Hunter: Yes.

Senator McGrand: I understand. Now, we have been told that the poor of the nation is about 20 per cent of the total population but they represent about 75 per cent of illnesses.

Miss Hunter: Yes.

Senator McGrand: What proportion of our hospital beds are occupied by these people that represent 75% of the illnesses? Have you any idea about that?

Miss Hunter: I do not think there is any way one could say.

Senator McGrand: Well, tell me this. How adequate is the medical care in these slum areas of our cities? We have had these people before us and they have told us a long story, how they cannot get medical care—of course, they thought a doctor should come to their house and see them whether they had any money or not. They did not understand just how they could work their way out of this thing but how adequate is the care of these people in the slum areas?

Miss Hunter: Again, I suppose it depends on where the slum area is of the city or of the town or what part of the country it is in, but I think many people now, with the advent of medical care plans across this country that we have had in the last few years, would think that takes care of the poor. They have got this coverage. They can get to their doctor. But that is not always true because...

Senator McGrand: That is what I want.

Miss Hunter: ...availability is one thing, is it not; and accessibility is another?

Just to illustrate, for example, I went with a Chinese nurse some time ago when we were talking about this whole matter of poverty, and she works in our Chinatown.

The Chairman: In Vancouver?

Miss Hunter: In Vancouver; and she said this man that she was following up happened to be a tuberculosis case who should report to the Central Clinic for his diagnostic X-rays and this little Chinese nurse said to me, "You know, it is just about as hopeful for me to get

that old Chinese gentleman who lives in one of the rooming houses to go up to the Willow Chest Centre for X-rays as it is for him to go on a trip to China."

She said he never moves away more than three blocks from his home where he lives. He does not know how to take a bus. He does not know how to get to it. So there is availability. He has got the clinic but how to get people to use it?

Senator McGrand: Well, I can understand that with a Chinese who lives in a certain environment. I am thinking of people in Ottawa and downtown Toronto in the slum areas; these are the people we have had before us. And they tell us this pitiful tale that they cannot get medical care.

I wonder if there is any basis for it, or is it just a complaint?

Miss Hunter: Well, no. I think there is a basis for it and I think there need not be. My illustration happened to be of another race with a different language, but I think it is true about many other people.

One thing, they get very apathetic about their own ills, do they not? They do not want to get out and really seek care.

Senator McGrand: They have impetigo; they have other skin diseases. They have allergies, perhaps more than other people. They perhaps have malnutrition and they have a lot of respiratory diseases.

Miss Hunter: Yes.

Senator McGrand: Viruses, pneumonias, or whatever you want to call them. Now, prevention, of course, is better than cure, if you can get it. In your experience how adequate is this care that is available to them? How adequate is it in these areas?

I was going to ask you this. Is it more home nurses going in to see them for an hour like the VON does...

Miss Hunter: Yes.

Senator McGrand: Or for half an hour or an hour. Now, to have established in these slum areas a small community health centre where they can go and meet these people. Now, a lot of these people feel out of place when they go to the large hospital.

Miss Hunter: That is right.

Senator McGrand: They feel out of place. They feel they are not wanted. That is the problem.

Miss Hunter: That is very true.

Senator McGrand: What is the answer to this question of rejection?

Miss Hunter: I think that you have given one of the ideas certainly, what they call storefront clinics or neighbourhood centres or something of that sort. We certainly should be experimenting with that type of program I think because it is very hard to get people to these services.

Senator McGrand: Then I have just one more question.

The Chairman: Wait, senator. You asked one question and we must get the answer. You asked Miss Hunter her view as to how adequate was the service or the availability of service to the poor. I think it is important to get an answer to that.

Senator McGrand: Well, she has given an answer. She has satisfied me.

Miss Hunter: Well, again, I do not think you can generalize. I think in some areas it is adequate and in some of our rural areas of the country I suppose it is not adequate, because it is not available to them. It is too hard to get to. I think there is just no answer for the whole of Canada in that regard.

The Chairman: Well, with the medical services and the hospital services that we have, our general concept was that they would be available to people of this country in the full.

Now, where are we failing? Are we not able to do it or have we got the services where the people are not?

Miss Hunter: Sometimes they are not decentralized enough for the people to use them. I think that is part of it and that is what Senator McGrand is saying. We need them closer to the people; that is one thing.

The Chairman: Well, let us leave the rural areas for the moment.

Miss Hunter: Well, in the cities, too?

The Chairman: In the cities, too.

Miss Hunter: I mean in the cities, too.

The Chairman: Well, what do you mean exactly? Take your City of Vancouver.

Miss Hunter: Yes.

The Chairman: And tell us what you would have changed to make it available.

Miss Hunter: Again, as I say, I would have some of these services decentralized into a community, into an area, into a shopping centre, for example, where people go instead of having them travel too far for them.

If you have an appointment for a small child in a family and you have a little troupe of pre-school children and you have to get not only the sick child but your little group of children all the way to a clinic or a doctor's office across the city, it is not easy for mothers to do that.

The Chairman: The Medical Association were here last week and said exactly that.

Miss Hunter: Yes; and to decentralize more.

The Chairman: But so far in our tours of the country we only found one store-front clinic in the whole country.

Miss Hunter: I know.

The Chairman: This is not a new problem. It has been there for some time and we have only found one. We had them here before us last week and this is not a new need. Is there anything you nurses are doing about it?

Miss Hunter: Well, I think that we have tried, in our public health work, to work with some of these people who are fearful and who are needing the medical help and medical care and just cannot get to it, but this takes a long time and this is why one of my appeals here is for more staff to work with hard-core families.

In one area development program, which is this business of decentralizing into an area, we found that you had to make many, many visits to one family in order to get them on their way towards medical care that they needed and not always do you have the time to spend doing it but part of it is this, trying to get them motivated, to get out and look after their illness, whatever it is.

Senator McGrand: I will finish in this way. You mean, to use an expression, instead of taking the patient to the hospital, you take the hospital facilities to the patient?

Miss Hunter: Partly, yes.

Senator McGrand: In selected areas?

Miss Hunter: Yes.

Senator McGrand: Within a reasonable distance of the hospital, a sort of travelling—I would not use the word "travelling clinic"—

but you take the services there in the store-front.

Miss Hunter: Yes. I think more of that needs to be done.

The Chairman: Well, what the psychiatrist said—what was his name?

Senator Sullivan: Capon.

The Chairman: What he said in effect was, what you have to have is a supermarket approach in these areas for the medical care.

Senator Sullivan: He wanted you to do that before you brought in this report.

The Chairman: That was his view and we felt that he was pretty well on the ball.

Senator Pearson: I was talking to a rural practitioner about medical care in Saskatchewan. After we got Medicare going in Saskatchewan, there has been a gradual cutting-down by the province of all the little hospitals we had around the country.

In the pioneer days of Saskatchewan there was a doctor about every 15 miles so there was available medical services there but now it is all concentrated in the cities or in the large community centres; that is, 50 miles apart, say.

You are talking about spreading the thing out so that you can get in touch with the people rather than concentrating it now.

Miss Hunter: Yes. I am not thinking of hospitals, though, senator. I am thinking of the screening.

Senator Pearson: Yes. But could they use those hospitals for the nursing services to work out from there; not just the medical? I do not wish doctors to be there but nurses to be located there so they could give service to a large community from that area.

Miss Hunter: You mean over and above your rural health unit offices?

Senator Pearson: Yes, that is right.

Miss Hunter: Yes.

Senator Pearson: Or combine them. The other point I would like to make is that there is a lot of care needed in the small towns in rural areas of older people or even out on their farms, et cetera. They cannot get the services at all. They refuse to move from their homes because they are older people and they have lived there all their lives, and it is almost an impossibility in the country to

get these people services of any kind, and yet they have to have them. They have to have day care in some cases that you cannot get in a little town.

Could it not be that you could train a number of your unemployed people to give just house care and give them a uniform so they appear as an official?

This would help out the welfare people themselves by just giving them those duties. I do not think you need a full nursing training program but enough training to be able to look after some of these elderly people in their homes.

Miss Hunter: I would not limit it to getting the unemployed to do that, senator. I think this idea of home-makers is an excellent idea.

Senator Pearson: I think if you get down to the people who are on the welfare side, that is the younger ones in the welfare families, get them a temporary sort of a job like this with a uniform where they are knowledgeable; they have to be trained by nurses to know what they are doing.

Miss Hunter: In many countries of the world, particularly Finland and Northern Scandinavian countries, they do have visiting home-makers on the staff of the health departments, just as they have nurses and other personnel, and they do give this kind of the very thing you are saying. So many hours maybe or longer if the person needs them and I think it is an excellent idea to have an extended home-maker service; not professionally trained but with training, yes.

That is a very good idea.

Senator Pearson: But you have to have recognition by giving them a uniform.

Miss Hunter: Yes, exactly. They are on the staff and they receive their payment from the same source as other public health people do.

Senator Pearson: And the district nurse goes around once or twice a month or something like that.

Miss Hunter: Yes, that is an excellent idea. We applaud that.

The Chairman: Just before we get around again there was one little matter that cropped up when you were talking. You made some observations particularly about people or welfare about their shopping and budgeting habits.

I have the impression that—I think most of the Committee share this—the people who have appeared before us, who have been living on welfare allowances for a period of years, have almost been miracle workers. You really cannot teach them very much about shopping or about budgeting and they have a great awareness of diet.

Now, that is what we have been hearing here. Is that wrong?

Miss Hunter: You may have noticed that there is an omission in the brief and again purposely about this whole field of nutrition because I believe that everybody needs more knowledge about how to feed your family and nutrition, and not only the poor. Therefore we did not stress it in this because our brief was concerned more with the people who are poor but I think everybody needs more knowledge about nutrition and how to feed their family.

I think that a lot of people who are managing on a very low income do, as you say, exceptionally well and are miracle workers with their dollars, but there are many that are not managing very well.

Some of the diets one sees when you happen to go into a home at mealtime are pretty poor diets. They could do with a lot more help.

The Chairman: Well, just while we are at this, we are going to ask you to do something for us. If you take a look at the brief presented by the Department of Health and Welfare—it is in our records so I am sure the doctor has seen it.

Dr. Mussallem: Yes.

The Chairman: You will see there "Family budgets in Canada," and there is a chapter set aside for that.

Now, we take you at your word, that you are the closest to the people and you are in the front line of the workers and you have the greatest knowledge. I mean that. I marked it down. You said it pretty well, and I agree with you.

Senator Quart: You are going to get good beside treatment.

The Chairman: I agree with them.

Senator Sullivan: You had good nursing care when you were sick, too.

The Chairman: Yes, I agree with all of this. For that reason I would ask you to do this for

us. The Economic Council set down what they called the poverty line of one, two, three, four, five persons. That is in the brief.

Miss Hunter: Yes.

The Chairman: The Department of Health and Welfare have done some budgeting. We would like you to prepare for us a budget for one, for two, for families of three, for families of four, and for families of five. You will take a family of two with two children, if you take them at four and six, and then use a little higher age for the family of five or six, but do it on a uniform basis and let us have an urban and rural budget for what you consider to be adequate or whatever you consider adequate. At least adequate is the term I can use for these people so that we can examine them when we have to come to some decision on the poverty line.

Now, you can do that for us, doctor?

Dr. Mussallem: Yes.

The Chairman: I appreciate that very much. You understand what we are getting at?

Dr. Mussallem: Yes, I am familiar with that. If we have any difficulties, we will come back to you.

The Chairman: Senator Fournier, you are back on.

Senator Fournier: Mr. Chairman, I am not clear yet on this staff business. It takes me a little time to get things right.

We read in the newspapers very often practically right across Canada that there is a shortage of nurses. Now, according to the figure that you have given us this morning in your submission, I would like to believe there are a surplus of nurses somewhere in Canada, yet there is a tremendous shortage.

In my own province in my own city at the moment we have a hospital of 206 beds. There is a whole floor has been closed for over six months and they tell us the reason is a shortage of nurses. This is pretty well right across the country. You see a whole floor closed and a long waiting list of demands and they tell you there is a shortage of nurses. It does not quite agree with what you told us this morning.

Now, in New Brunswick we have raised the standard of the nurses, with which I concurred.

I had a daughter who comes from the old group and in order to become a nurse she had

to complete her Grade 12 and you had to have four years of training at the hospital. In my home city you started with a class of 50 people—and I want your opinion on this because we have changed the system—we started with a class of 50 girls every year who had completed Grade 12, for a four-year training period at \$5 a month. Actually those girls during their training—they were being trained in the hospital—were rendering a lot of services while they were doing their training starting by making the beds and so on, and then the medical profession would give them lectures and then from time to time they would train under university professors and so on.

Out of a class of about fifty it usually ended up with about twenty because there were drop-outs and most of the drop-outs were because some of these girls had not the aptitude to become nurses.

You could train these girls, give them all the training that you want, and all the university training you want, and if they have not got the aptitude to become nurses I think you are going to be a failure. Sometimes they say teachers are born. I believe there is something in that.

Senator Sullivan: That applies to any profession.

Senator Fournier: Well, you might not agree with me but that is my opinion. I have facts to prove that if you are not born to be a nurse and if you have not got the aptitude, you are not going to be good any more than you can become a professional doctor like Dr. Sullivan, who succeeded because he has got the ability. Others have got the aptitude to become mechanics or in the law but to become an expert in the field, you must have the attitude and aptitude. This is my belief.

Now, to get back to my story. The result now is that we have done away with this, with which I agree...

Senator Fergusson: Is that the senator's question?

The Chairman: No; I am waiting for the question.

Senator Fournier: The question is coming. Because I want to know your opinion on that, and I want to give you what we are doing now. We are training nurses now with grade 12 and we train them at university which is good. They come out of university with a certificate of nurses but the point is now that

one of these girls, whether they have the aptitude or not, go through university because there is a prestige by going to university. There is a prestige to live as a nurse and there is nothing wrong with that. It is something to be proud of; but the fact is that at the very moment in my province in my home town these girls who graduate from the university are not the best type of nurses that are needed.

They are not the type that would actually make the beds and give the actual care to the patient that is sick in the bed. They are good for administration; they are good for staff; and that is the only thing they will do: staff work and administration. In the wards...

The Chairman: Senator, here is a national expert sitting right there, a recognized world expert, and she can tell you.

Senator Fournier: Do not forget in your answer I want to know why there is a shortage of nurses and why we have to close a whole floor because there are no nurses available.

Dr. Mussallem: Well, Mr. Chairman and senator, I am presuming that the city or town to which you are referring is not a major city. This is where there are problems in attracting girls to smaller centres.

The Chairman: Yes, it is a smaller centre. It is not major but it is not minor either.

Dr. Mussallem: With respect to the other comments made by the senator, problems related to drop-outs in the previous course, a class of fifty had twenty left, because the remaining thirty did not have the aptitude, I know this is not subject to long debate here. I am well aware of the focus but since the question was asked I would wish to explore further whether indeed this was the reason for leaving. We have found over the years...

Senator Fournier: That is one reason.

Dr. Mussallem: ... on an examination of drop-outs, the expression of the student of why she left and her actual reasons, and those the Director of Nursing gave, are very often quite different, so I do not wish to dispute what you said, but I would question whether there were thirty that did not have the aptitude. Perhaps it was the educational program; perhaps there were other reasons.

Senator Fournier: Money was a factor also; there is no question.

Senator Sullivan: It applies to any profession.

Dr. Mussallem: We know at the present moment and over the past four or five years now that there has been a trend across Canada for nursing students to enter programs that are under educational auspices.

We have had criticism and will have criticism that the girls that come from the St. Yvette program in Quebec and junior community colleges in the West or the Institute of Technology, for example, in British Columbia and Ontario are not as good as other kinds of nurses. This is something we have to live with.

All I can say is, unless you give me two hours, that I believe that good education will provide the best opportunity for a person to reach their potential, whether it is nursing, medicine, law, and so on.

Likewise, a nurse that has an opportunity to go into a university program or any kind of program, should be a better person and a better nurse. Should be. We cannot compare one with the other because they are different people going through different programs, but if we believe that education does help people reach their potential then we have to believe this.

Now, you have said these girls are not prepared to carry out such functions as bed-making and so on, and I suggest, Mr. Chairman, that this is a time in history that we have to look at the utilization of manpower because it does affect the poor as well as other segments of our society. Should nurses be carrying out these kinds of functions at this time or could they be done better by other people?

Is society right in spending the amount of money required to give a nurse preparation at this level and then use her for doing tasks which could be done by someone that is less well prepared and less expensive to society? I do believe this is very poor utilization of manpower, or whatever it is. I could go on, Mr. Chairman.

The Chairman: I said you were an authority on it. You have made your point.

Senator Sullivan: Very well.

Senator Fournier: That is a very good answer. I am quite pleased with your answer.

The Chairman: Well, we have very competent people here. Senator Pearson.

Senator Pearson: Let us take in our Province of Saskatchewan, our provinces are having great difficulty financing the hospital itself. Consequently the nurses are not getting an increase in pay like everybody else is to a great extent. They are moving out into other industries. Industry is paying far better prices for these girls than the hospitals can possibly afford. And we find that the hospital nurse is disappearing because of lack of money.

Dr. Mussallem: Mr. Chairman, I think if I could just comment on that if I may?

The Chairman: Yes, very well.

Dr. Mussallem: I think there are several factors that are involved here. If nurses' salaries are high, then they should be working at the top level.

I cannot speak for any one province but if nurses are used for nursing activities and nursing functions and these less well repaired people are used and utilized for routine functions and as more technology comes into the hospital, we will find that the work of the nurse, not the real basic function of the nurse, being with people and helping them, but many of the routine chores that she has been doing can be eliminated and perhaps—I only say "perhaps" because this requires very deep study—the number of nurses that are in hospitals at the present time are sufficient if there was sufficient auxiliary assistance either through machines or through people, to support the work of the professional nurse.

We have done a great deal of lip service to studies which say nurses are working at this level. I do not believe in this context we have done as much as we should have in Canada because Canada is unique in its hospital insurance programme, which started in Saskatchewan, and in its Medicare now. If any country in the world needs to take a good hard look at this, it is Canada.

The Chairman: Well, Doctor, just while you are at it, we are here not only to learn from you but perhaps you can pick up a few ideas from us.

We had before us the social workers who, of course, for the last many years have been turned into clerks because of the lack of staff and their inability to do what social workers were doing. I think they are doing it in the polytechnical schools in Toronto, they are training people who will do something less than a social worker to prepare the work for

the social worker so that they can devote themselves entirely to it.

Now, is that not some leadership?

Dr. Mussallem: Yes. Please be assured that we are learning a great deal from you, as you said, and this certainly has been the trend in health services and others.

The one thing we have to guard against is a great proliferation of these people.

Senator Sullivan: Very much so.

The Chairman: Do you want to ask a question, Senator Sullivan?

Senator Sullivan: No. I would just like to make a remark and it is not prefatory that the Canadian Nurses Association have been doing a wonderful job and have and will continue to do so. Their responsibility is going to be much greater, as you have heard a week ago, in that they are going to train nurses to become medical associates in all the teaching hospitals and take over a great many functions of the teaching staff of various hospitals. They are going to have that responsibility.

We are starting it now at the University of Toronto. We are going to start at McGill. We are going to start at the University of Montreal. So the nurses not only have more responsibilities to assume in the future but they will handle them as well as they have in the past.

That is all I have to say.

The Chairman: Thank you, Doctor. May I, on behalf of the Committee, say it has been a delight to have both of you here this morning. We appreciate very much the pains you took to prepare your brief, the concern that you showed and you have given us a great deal of information. We are looking forward to the report from you on the family budget. Thank you.

Dr. Mussallem: Thank you very much.

—Short recess.

—Upon resuming at 10.35

The Chairman: I will call the meeting to order and Mr. F. M. Troop, who is the treasurer of the Victorian Order of Nurses for Canada will introduce the delegation.

Mr. F. M. Troop, Treasurer, Victorian Order of Nurses: Yes, Mr. Chairman and Honourable Senators.

May I first introduce the people who are here. On my left here is Mrs. Eagan who is Chairman of our Nursing Advisory Committee and Miss Christine Macarthur who is our assistant director in chief and Miss Jean Leask, who is the director in chief of the Order. I am the honorary treasurer.

Mr. Chairman and honourable senators, when the Victorian Order of Nurses for Canada was requested to submit a brief to the Senate Committee on Poverty the request was considered by the members of the National Board of Management. In their review of the terms of reference as outlined by your Committee for preparation of submissions, it was the consensus that any material which the Order could submit would be limited since we have no statistical data to substantiate factual statements nor do we have personnel or funds to undertake any formal study of poverty.

However, our services are directed to many individuals and families in the lower income group and we are concerned about existing poverty situations in Canada and as a result of subsequent discussions with members of your staff, it was agreed that a submission of more limited scope could be prepared for your consideration.

In our brief we have restricted our comments to the area of health and some of the factors affecting health. We have not submitted definite recommendations. It seemed to us that examples of specific instances which nurses from many parts of Canada have encountered in their home visits which gives you a better picture of some of the hardships that people on low income are suffering.

These examples have been included as an appendix to the brief and have been submitted in the words of the nurses themselves.

We appreciate the action taken by the Senate in establishing a Special Committee which will initiate specific action for the mitigation of poverty in our country and it is our privilege to appear before you today and present a brief on behalf of the Victorian Order of Nurses for Canada.

Miss Leask and Miss Macarthur will answer any questions that you may have in detail about their service. Thank you.

The Chairman: Senator Fournier?

Senator Fournier: Well, Mr. Chairman, I do not really know what to say or what question to ask. All I can say is that I know that the CON are doing a tremendous job across the

country because we have them at home and they are what I would call the working nurses; the nurse that goes from home to home and sees what is taking place. I know this is what is taking place in my home town. They certainly have a lot of respect from everybody. I am well aware of the financial difficulties they have because I used to be on the Finance Committee for my region. It is quite a problem every year to find money to keep one nursing going for V.O.N., to buy her a car and provide her a decent salary.

I do not know why, but it is still a problem. I really do not know what question to ask except to congratulate your organization for the work they are doing and I hope that you will carry on. I certainly recommend anybody support you financially. It is a problem to finance the V.O.N. through charity in some region every year because there are so many organizations. They are doing a tremendous job among the poor people, those who cannot afford to go to the hospital, these who need medical treatment after they leave the hospital where you have no convalescent home.

Senator Quart: Mr. Chairman, I would like to second what Senator Fournier said with regards to the V.O.N. We are very happy to have them with us today.

On page 2 you mention that you have a few branches of the Victorian Order which is administering these services—that is speaking of these services in the home—as an adjunct to the nursing service. As a result, more people can be helped in their own homes. In providing nursing service, conditions arising in related areas, such as economic, housing, social, reflects on the efficacy of care.

Do you consider this as a field where home-makers could be used to alleviate some of the work of the V.O.N.?

Miss Jean Leask, Director in Chief of the Victorian Order of Nurses for Canada: Mr. Chairman, I think we have said on many occasions that the work of the visiting nurse has become almost more dependant on having housekeeping or home-making services also available in the community. This is particularly true where we are developing a coordinated home-care program where we are taking patients home from hospital early or patients who did not ever need to go into hospital, in lieu of hospitals keeping them at home.

The partnership of the physician and nurse is still perhaps the basic one in the care of patients but we still have to add these other

services and I believe that home-making services is one which we have, on many occasions, said should be developed.

Perhaps the group knows we are administering home-making services in five of our branches now. They have been developed at the request of the community and were not being developed by any other agency in the community.

The Chairman: What branches, please.

Miss Leask: We have the north shore branch in British Columbia, which is north and west of Vancouver and Surrey. Those are the two in British Columbia. In Ontario we have the Guelph, Wellington, Dufferin branch which is a branch serving to entire counties and the homemaking service, as well as the nursing service, is provided for the entire county so it is a rural as well as an urban service.

We have the only home-making service in Winnipeg, which is limited to serving people who are ill at home since another agency provides the family service and our service is both a part-time and a full-time service.

Then Montreal has a limited service also that they administer and it again is poor people who are ill at home. I believe it is limited to elderly people.

Miss Christine MacArthur, Assistant Director, Chief Victorian Order of Nurses for Canada: Elderly patients.

Miss Leask: Elderly patients, who require part-time service, so we have done this experiment or developed these services in these areas because we believe it is very necessary.

Senator Inman: I know that the V.O.N. are dedicated nurses but do you find that the home-makers would be a little less anxious to go into the homes of the poor.

Miss MacArthur: I do not think we have found that. I think in many instances the home-makers are being used in these homes particularly the elderly poor and that is where the emphasis has been placed on in our service; for part-time home-making services that could help these elderly people, who are on a limited income, remain in their own home with this additional part-time help.

Senator Inman: So the development of home-making organization would be a great help to poor people.

Miss MacArthur: Yes, to the whole population certainly. We feel it is a service which needs to be developed if we are going to keep people at home as an adjunct to these services.

Senator Inman: At the bottom of this page you say:

Since services are given only when requested, it can be assumed that there are many instances when poor people could benefit from a visiting nursing service, but they are not aware it is available to them.

How do you think this could be made available to the poor people? Perhaps they do not go out, perhaps they do not read newspapers. Perhaps they are out of touch.

Miss MacArthur: We do have material that is sent out to branches. We have a TV filmette by which we try to inform people about our services but in many instances when we are in the home the nurse is greeted by the information: "well, I wish I had known this service was available a few years ago or a year ago or a month ago when we needed this type of service". It is still very difficult.

Senator Inman: Through what organization is this information brought to them eventually? Is it brought through the churches or schools.

Miss Leask: I think we use all available type of communication. I think what we feel is that the poor people—I think this is found in other services—tend perhaps to ask less for these services because they are more hesitant to ask.

I feel we are trying to look into ways in which we can meet more people. Perhaps we have not thought enough about the method ourselves.

Senator Fergusson: I can say one thing. You do not have a Victorian Order in Prince Edward Island, do you?

Miss Leask: No.

Senator Fergusson: This is why I was bringing it up. They do have in New Brunswick and I know one way that people learn about it is at the time of the United Appeal when the Victorian Order takes part in the United Appeal and our Board of Directors, of which I have been one for a long time, are requested to take part in giving publicity to why we need money for the United Appeal

and what this group does. This information reached a great many people. It goes over the radio and television. It goes in the papers and I think that is a very good way of getting information but where you do not have it, you do not see it probably the same.

Senator Inman: I would like to have it.

Senator Fergusson: I am sure you would. You would not be exposed to this the same way we are.

The Chairman: Well, Senator Inman, this is the time to ask why you have not got it. Go ahead?

Senator Inman: I have been trying to promote such a thing.

The Chairman: Well, here you are promoting now. What is the answer? We think we know, but go ahead.

Miss Leask: I think the Victorian Order is a voluntary organization which is established at the request of communities and supported by communities and Prince Edward Island is a small province with a small population and have a well-developed health department and it is out understanding that type of service of visiting nurses or bedside nursing care is given through their department.

I think we do all have to consider—and I am not saying this is the answer—but perhaps in Prince Edward Island this service is being given adequately through the Department of Health. I do not know, but overlapping of services or having duplication of services is something we are all trying to avoid at present but I do not know what your situation is that way.

Senator Inman: Well, it probably would be that way. We do have a very efficient Department of Health and Welfare. We do have a good number of Public Health Nurses. I know they do give good service because I have travelled around with some of them into the homes.

Miss Leask: I think I might say if there was a need or request, we always answer any requests and interpret our service, and if there is a need we are perfectly willing to establish the service.

Senator Inman: I am not going to stop trying to promote.

Miss MacArthur: We have made several visits to Prince Edward Island and have met

with groups there some years ago. I think the last one was in the early 1950's. We have never gotten to the point where the community felt they could support this service either by request for service or by financial support so that is why we have not been established there primarily.

Senator Quart: May I ask a question, not that I am from Prince Edward Island, I am from Quebec, but I know a lot about your order.

This is a voluntary order and therefore would your work be more effective if funds were allotted to make the organization less dependant upon voluntary groups such as municipal and provincial groups? Do you get any federal grant for the Victorian Order of Nurses?

Miss Leask: We have a federal grant for the national organization but since health is under the provincial government, money to support our branches comes from provincial grants.

Senator Quart: But not entirely, of course.

Miss Leask: It is federal to provincial and then it is paid by the provincial. In each of our provinces where we are established, that is the nine provinces, there is a provincial association with its branches and it is these provincial associations which are the liaison with government or which approaches government for support of these branches. The amount of government support which we are receiving is increasing.

Senator Inman: But it is not adequate at all.

Miss Leask: In some provinces the money which we receive from government is now—Manitoba, for example, is 55 per cent.

The Chairman: Which province was that?

Miss Leask: Manitoba is 55 per cent. I believe Saskatchewan is approximately 54 per cent. The average is 37 per cent across Canada from provincial sources and this varies. One province is only 3 per cent.

Miss MacArthur: Three per cent in British Columbia.

The Chairman: British Columbia gives you 3 per cent?

Miss Leask: In fees for services. Now we get more grants from British Columbia.

Miss MacArthur: This is in relation to actual fees for services.

Senator Fergusson: As long as you have given so many provinces, would you tell me about New Brunswick? What percentage do they give?

Miss MacArthur: Eleven per cent. That is in fees for services. It is not grants. New Brunswick gives us very high grants.

Senator Fergusson: I know. We have been very happy about it lately.

Miss MacArthur: With your grants I think New Brunswick would be about 6 per cent of the total which comes from Government.

Senator Inman: At the bottom of Page 3 you speak of the concept of poverty and apart from the hard-core poor, one could think of poverty in a little different concept. Poverty is a bit different. There is always the real hard-core poor but apart from them, do you find a different concept of poverty today? Is it that people are asking for more services, for more money to raise those levels?

What is your concept of poverty?

Dr. Mussallem: I think, Mr. Chairman, and Senator Inman, we would feel that there is hard-core poverty but I think some of the illustrations we gave at the back indicated that many people who are working at the minimum wage, for example, are in poverty because this is not sufficient to meet the rising costs of food and services and things they have to buy. There is a group of what we call the medically indigent and I think the V.O.N.'s association call independent poor or who are the border-line people.

I think there is this gray area between people who are what we call the hard-core poverty and people who have sufficient but there is, I think, a large group efficient, who are what we call the medically indigent who cannot make ends meet or if they have a big drug bill they simply cannot pay it and there is very little help for these people.

Senator Inman: The other night I was not sleeping very well and I was thinking about poverty and I was wondering—the Chairman has suggested this—supposing everybody was given a guaranteed annual income and yet those who could not live on that and could work and wanted to work, and they could work to the point they felt they were able to, to increase that and if they were not taxed on that up to a certain point, I wonder how that

would work? What do you think of that; everybody getting a guaranteed income and then allowing them to work to provide enough for their needs, or is that too much of a dream?

Dr. Mussallem: I do not think we have really thought about that. I do not know whether Mr. Troop would have any ideas on that or not but I think what I would feel personally is that one of the difficulties for the person who is earning a marginal amount at the present time is there is no assistance if they get into difficulties. We assist the person who is eligible to go on welfare but these other persons do not have that advantage and perhaps the guaranteed annual income would be one of the answers.

The Chairman: We call those the working poor.

Dr. Mussallem: Yes, that is correct and this is the group that would be helped by a guaranteed income.

The Chairman: That is the problem of which I think Senator Inman has been speaking in her own terms.

Miss Leask: I do not think we have really thought about that.

Miss MacArthur: I think the guaranteed annual income would go a little way to helping alleviate these problems but I think there are many other implications and that these people in the low income bracket educationally do not have the preparation for meeting the exigencies of everyday living and that they need a lot more. They need help in the home, how to manage, how to shop, how to budget, how to prepare meals; all of these things would not be included in any guaranteed income for these people.

Senator Inman: No, but would not the guaranteed income give them a little bit of hope.

Miss Leask: That is right.

Miss MacArthur: That is right.

The Chairman: I have Senator Pearson, Senator Quart, Senator McGrand and then Senator Ferguson.

Senator Pearson: I would like to know; are the Victorian Order of Nurses all graduate nurses?

Miss Leask: Mr. Chairman, the very large majority. We have a small group of nursing

assistants employed in the Victorian Order in our larger branches. I think the total number of nursing assistants employed is about 25.

The Chairman: Out of how many?

Miss Leask: There are 788, or approximately 790 nursing positions across Canada and so the remainder are graduate nurses and the majority of them have public health preparation. As of December 31st last year I think there was 61 per cent of our staff who were prepared under Public Health Nursing either at the certificate or diploma level or a degree level.

Senator Pearson: Are you attempting to increase your number of assistants?

Miss Leask: No, I do not believe we are. I think there are many factors to be considered in giving care to patients at home. In the first place the person who goes into the home must do everything that is needed for these patients.

Now, we might have a patient who required a function which could be carried out by a nursing assistant, I will say, a bed bath, but that patient might also require an intermuscular injection. When you are doing a service in the community, you cannot send two people into that home. Therefore you have limitations on the type of patient that can be cared for by a nursing assistant.

We feel that in our larger branches where there is adequate supervision and where we have a larger group of nurses then we can employ nursing assistant. In a small branch where our nurses take night calls and week-end calls...

Senator Pearson: What do you mean by a small branch?

Miss Leask: I am thinking of up to six nurses. The nursing assistant does not have the preparation to deal with the emergency of night and week-end services and therefore your regular staff have to take their turn at this and it is not really, from a standpoint of care, satisfactory or possible to employ a nursing assistant in that group.

I think we might have a small increase in our group of nursing assistants but in the care of people at home you do need somebody who can go into the home and act independently and it has been our experience that the caseload that we carry, which could be done by a nursing assistant, is limited because

more and more we are taking patients who need complicated treatment home from hospital and this cannot be done by this type of worker.

Senator Pearson: Do you take in rural areas very much as compared with the city?

Miss Leask: We have extended within the last ten years, particularly in some provinces into a number of rural areas. I believe in doing my annual report this year I went back ten years and in that time we were mainly in urban centres.

For example, in Ontario we only served one community but now we serve I think it is fifteen.

Senator Pearson: Fifteen.

Miss Leask: Yes.

The Chairman: Counties.

Miss Leask: Entire counties and we have also recently extended into one or two areas in Nova Scotia. We serve Cape Breton County now. We serve Kings County.

Senator Pearson: You are working out of a centre in each county.

Miss Leask: That is right, or we may have several centres. We have a central administration with several satellites. It has changed our pattern of administration too and I think we are trying to expand it and serve rural areas. Better transportation and better roads have made this possible.

Senator Pearson: I notice you work with the Saskatchewan Assistance Aid program. How does that program help you?

Miss MacArthur: Since 1947 the Saskatchewan Government has been paying the Victorian Order for nursing visits to people receiving welfare assistance and this has changed a bit over the years with the change in legislation but we are getting payment for people receiving social assistance for all our visits in Saskatchewan.

Senator Pearson: With you getting assistance to help you out, does the government then insist that you take certain programs of theirs or do you work on your own entirely?

Miss MacArthur: No, it is entirely on our own.

Senator Pearson: You work on your own program.

Miss MacArthur: Yes.

Senator Pearson: You are not under the domination of the province at all?

Miss Leask: No. I think it has been our own program that we carried out. They paid our costs for making the visits. For example, we will say in Regina we do a costing each year in every branch of how much it costs us to make a visit and in Saskatchewan the province has paid us on a fee for service basis, the cost of the visits that we make to patients eligible for social welfare but there has been no interference in our organization or our standards. Is this what you mean?

Senator Pearson: Yes.

Senator Fergusson: Is this the cost that you charge patients who can pay?

Miss Leask: That is right. It is the same fee we would charge.

Senator Pearson: How do you arrive at that cost fee?

Miss Leask: We have a formula which has been developed firstly in the United States by what is now the National League for Nursing and the Metropolitan Life Insurance Company, and I think another insurance company, when the Metropolitan Insurance Company paid for services to certain policy holders and they established a formula for costing visiting nurses services in order to establish a fee.

Now, this has been refined through the years. It is based on the expenses of providing the services and of course the number of visits. This is basically what the formula is. Certain costs are deleted or deducted but we would be glad to give you a copy of our formula if you want it.

The Chairman: No.

Miss Leask: This is done each year annually in each branch and it is verified by our accounting department in the national office and it is on this cost that the local fee is based so that the local fee varies all across Canada but it is based on the cost in that community.

Miss MacArthur: The average cost for all branches in 1968 was \$4.97. It varies from three dollars something to up to \$4.97.

Senator Pearson: That is per day?

Miss MacArthur: Per visit.

Miss Leask: The average.

The Chairman: Is the travelling mileage included in that?

Miss Leask: Yes.

The Chairman: Everything is.

Miss Leask: All across.

The Chairman: Just while you are on that question, Senator Pearson, as between the staff—I am only interested in numbers—take a city like London, how many people would you have there?

Miss Leask: We would have at the moment I think sixteen nurses.

The Chairman: How many would you have in Ottawa?

Miss Leask: Twenty-five.

Miss MacArthur: I think it is twenty-four or twenty-five in Ottawa.

The Chairman: Well, let's take Regina.

Miss MacArthur: We have, I think, thirteen in Regina now.

The Chairman: Now, something else is coming up. Regina is larger than London. You have got thirteen in Regina and you have very many more in London. Why would you have that?

Miss Leask: I think they are about the same size.

Miss MacArthur: We employ staff according to the need for services and increase staff as there is more demand.

We use relief nurses until the service demands we increase staff and then we increase staff so there has been more demand in London than there has been in Regina.

Senator Quart: You mentioned staff and your visiting nurses have to be graduate nurses, but I was very surprised to see, when I received a brochure from your Ottawa office about the organization of the Victorian Order of Nurses several months ago, that it is not necessary for any of them to be nurses. They are simply there for administrative purposes or whatever you call it. Maybe administration is wrong but principally I suppose they are there for grants or making presentations to governments and so on. Is that correct?

Miss Leask: You mean our Board?

Senator Quart: Your Board, yes.

Miss Leask: All our Board Members, as Mrs. Egan and Mr. Troop are, are volunteers serving voluntarily. Some of them may be nurses, as Mrs. Egan is a former nurse, but their services are all given on a volunteer basis.

Senator Quart: Of course, I was very surprised to realize that there are so many men on the Board.

Miss Leask: Yes, I think we are very fortunate. I suppose we have several thousand volunteers. If you counted all our Boards across Canada I think it would be in the thousands.

Senator Quart: One little incident, at Woodstock where you had your regional VON meeting, I was amazed to realize that the contribution of the firemen was in answering the telephone over and above the hours your office workers were there and my question now is about this Golden Mile Club. Would that be somewhat similar to the Good Companionship Clubs or something like that.

Miss Leask: Yes.

Senator Quart: You mentioned the Golden Mile.

The Chairman: Yes, Miss Leask said "yes" to that.

Miss Leask: I think they are called by various names. In Victoria, for instance, the one where we are giving councilor services, they call it the Silver Threads Club and that service has developed from a few hours a week now to a full time counselling service.

Senator Quart: Golden Mile is good but Silver Threads is wonderful. I think one of the original ones is the "Evergreens" in New York.

The Chairman: That is a new one on me.

Miss Leask: Yes, it is a good name.

The Chairman: I have not heard that before.

Senator McGrand: This morning I happened to use the expression that perhaps we should not be taking these patients to the hospitals as much as we should be taking the hospital services to the patient. Now, I really feel that in the work of the VON that is actually what you are doing. You are giving people care at home which they otherwise would probably be getting at the hospital. Is there a fee for service charge?

Miss Leask: Yes.

Senator McGrand: Do you go into the house and see a patient at the patient's request or is that a doctor referral? Do you go on the doctor's suggestion?

Miss MacArthur: We answer any calls from any source. We do not continue care unless there is a doctor in attendance with the patient.

Senator McGrand: In looking after a patient in his home that has been discharged from hospital—you must do a lot of that—a patient is discharged from hospital and then you look after them at home for a while. Do you find many bedsores?

Miss MacArthur: We hope we do not. I think the care that we give is...

Senator McGrand: Do you encounter them?

Miss MacArthur: Yes. When they get home, do you mean?

Senator McGrand: Yes.

Miss MacArthur: Yes, we have encountered quite a number of them.

Senator McGrand: Quite a few VON nurses tell me that. I remember I asked one VON nurse what she did mostly and she said "heal up these bedsores that they get in the hospitals".

That is why I think it is a good idea to carry the service of the hospital to the patients.

Miss Leask: Mr. Chairman, could I just perhaps speak on Dr. McGrand's point and what the VON nurses said about the neighbourhood clinics or neighbourhood centres. I think we too have that in our brief that we feel this is something which should be or would be very helpful for the poor—for anyone, but particularly for the poor, and I would just like to reiterate some of the points which were made in relation to people.

There is difficulty in getting to a hospital clinic or to a centre and I think to us, this is particularly difficult in large cities where you have to go long distances to hospitals and the point was brought out this morning about the difficulty of the mother taking her children or getting someone to stay with them and we have found this.

They just cannot get there at nine o'clock in the morning if they have this to do or they may go to the hospital and be told, go to one

clinic and come back the next day to another one and this has to start all over again and I think this is why so often they give up.

Senator McGrand: What percentage of your patients that you look after would be poor, because you go and see anybody that needs you. What percentage of the people whom you look after would be classified as poor? I wanted to bring this out, do you find many complaints from the poor people that they cannot get medical treatment?

The Chairman: See if you can answer that first question first.

Miss Leask: What percentage would be poor?

The Chairman: What you would classify as poor.

Miss Leask: I think the only way we could do this would be by our fees.

The Chairman: Why would these fees be a basis for classification?

Miss Leask: The number that might be free. This might give some indication. We did not do a survey to know how many of our patients would be poor.

Miss MacArthur: Twenty-seven per cent of our patients...

The Chairman: Were paid for by the government.

Miss MacArthur: ...are people who were not able to pay anything. Twenty-five per cent were those who were only able to pay part of the fee. Any of these would be in this gray area.

Senator McGrand: You said you would take a call anywhere you get it but you do not continue unless you worked under a doctor's direction. Do you know of any cases where you had to give up seeing a patient because their care was not directed by a physician.

Miss MacArthur: I would think that this would be very rare. We do make a second visit. We might even make a third visit if we felt medical care was indicated, to try and persuade that person to get medical care. I think if we thought it was such a severe condition, we would do everything in our power to get a doctor into that patient or else persuade the patient. In some of these areas I think we have doctors with whom we have a good relationship and they will go in and see

this patient. If they needed care, I think we would get to them some way. I do not think we would ever leave a patient needing care without seeing that was made available to them.

Miss Leask: We would go to the Medical Officer of Health, for example, and this is where we might get care.

Senator Pearson: Mr. Chairman, I would like to ask a question. The Victorian Order of Nurses have had long experience now with the poor of the country and the poor in many areas. Have you ever arrived at an answer to the question of what would be a good cure for poverty.

Miss Leask: No.

The Chairman: Do not tell me you have not. We are depending on you.

Miss Leask: You mean you have had many?

Senator Pearson: Would more welfare or more jobs be better.

Miss Leask: I think you need both. This is just a personal viewpoint.

Senator Pearson: Yes.

Miss Leask: I think perhaps we need a different attitude and I think we need to feel that these people must be given dignity and a means to have the dignity of anyone else—I was going to say "quality" but I think that is perhaps the wrong word; but I wonder if we so often push something aside and say "well, they are poor or that is because they are poor".

I think perhaps we need to change our attitude and perhaps have more of a commitment to changing this. That is just a personal opinion.

Senator Pearson: More commitments from the general populace.

Miss Leask: Yes, and perhaps a more wanting to do it, not because it is something good to do but something we as citizens or as Canadians or human beings must do for our fellow human beings.

A commitment of wanting to do it, not for our own satisfaction but to really get down to what the difficulties are.

I think money is certainly an important thing and I think jobs or the opportunity to work and be a part of the whole group is

important. I think education, as we have said, is important. I think not to be segregated as being poor, in this group and not in the other, and then again these are attitudes that we have to break down.

I do not know whether that answers your question.

Senator McGrand: A while ago, I do not think it was your group that mentioned it, there was talk about the problem of getting volunteer services. There was difficulty getting volunteer services. Now, involvement is a word that we use an awful lot today. A person is involved. It is becoming almost a cliché in some respects but there never was a time when there were so many people with so little to do. The hours of work are getting shorter and technology is replacing people and a lot of people who worked all day in their home now are able to do their work in a few hours. I am referring to people such as housewives who stay home.

Now, it seems to me that there never was such an opportunity to get people involved as there is now, if you can sell them the idea.

Miss Leask: I was wondering if Mrs. Egan or Mr. Troop would like to say something because they are our volunteers or part of our volunteers.

Mr. Troop: We certainly do not have any difficulty in getting people involved on our Board. We have really very important people who give up their time and they travel to the annual meeting as far away as Winnipeg from Halifax, and pay their own expenses. They really are involved.

Senator McGrand: It was not your group that brought this up.

The Chairman: No.

Senator McGrand: It was the previous group and that is because you are a volunteer group.

Mr. Troop: That is correct.

Senator McGrand: If you were a half-paid group, you would not get the response. That is what I mean, the honest forward volunteer group. It seems to me that people will support a thing when they know it is volunteer, when they know no one is getting anything out of it.

Mr. Troop: That is correct.

The Chairman: But there is more to it than this, doctors, do not forget not only is the

volunteer group but this is the most human of human work. This has sentiment. This has attachment. These are human beings and this has its own reward right in front of them. That is why they do it.

Senator McGrand: That is what I was saying. It has its own reward.

The Chairman: It is a personal reward and that is why they are doing it.

Mrs. Rita Egan, Chairman, Victorian Order of Nurses: Mr. Chairman, may I say something?

The Chairman: By all means.

Mrs. Egan: The Victorian Order of Nurses is involved in Meals on Wheels programs in different parts of the country, in three different areas at the present time and this involved volunteer workers because they are absolutely dependent upon the volunteer people to deliver these meals to their homes. This is very time consuming but it is very rewarding though. I think they have had no problems in obtaining volunteers and it is a tremendous service which is very badly needed.

Senator Fergusson: There are one or two things I would like to ask. I am sure that neither Miss Leask or Miss MacArthur has any doubt about my interest in the VON. We really are very grateful and I am very proud of the presentation you have made to the Committee this morning. I know it is going to be most helpful to us.

It seems to me that many of the presentations we have had have ignored the fact that illness is the cause of poverty. That has not been brought to our attention nearly as much as it has been by you and by the Canadian Nurses this morning and the Canadian Medical Association the other day. I think this is something you were overlooking to a great extent but I know from reading their briefs it is a vicious circle; that illness causes poverty and poverty causes illness.

Dr. Bates of the Health League of Canada—who did not appear before us—thinks that the basic cause of poverty is illness, that people are poor or they cannot work and the family gets into poverty. He thinks it starts there instead of just being a circle and I wonder what you think of that?

One other thing I would like to ask you and that is we are very interested in working mothers who are the heads of families. Do you find in your work that this is a great area

where there is poverty and do you find in these families that there is perhaps more illness than in families where the mother is not working?

I know that is a lot of question, but answer any part of it.

Miss Leask: Well, I think the first question that whether poverty is caused by illness, we would have nothing to substantiate that. I think in our brief we have certainly said that illness is one of the big factors in poverty and particularly I think for the group who are at this marginal level or in this gray area; that illness simply devastates them because they have nothing to come and go on.

I think that illness, as you say, and indicated by our examples, where the bread-winner or the father was ill the family simply went down and I think one of our examples of the child with diabetes where they had to move in with another family and where they had no running water and this kind of thing and this child simply would not give his own insulin. This was really poverty. It was illness in the family that caused them to have to move and then with the child ill he really did not have a chance.

I do not know which comes first, whether it is illness or poverty but they certainly are linked.

Senator Fergusson: It certainly is a great cause of poverty, is it not.

Miss Leask: Yes.

Mr. Troop: Mr. Chairman, may I just mention something there? For the last ten or twelve years I have been on the Executive of the RCAF Benevolent Fund. We have found that 90 per cent of the cases of these airman who are in poverty that come before us, are from illness or misuse of credit.

The Chairman: Illness or...

Mr. Troop: Misuse of credit.

The Chairman: A misuse of credit, bringing on a neurotic condition.

Mr. Troop: Borrowing from finance companies and this brings on poverty.

The Chairman: Too many credit cards.

Senator Fergusson: Could you divide the proportion of which is which.

Mr. Troop: I would say roughly about 40 per cent misuse of credit and 20 per cent of illness.

The Chairman: Go ahead, Senator Fergusson.

Senator Fergusson: I ask one other question.

Miss Leask: I am not sure which one came next.

Senator Fergusson: I asked about the families that have working mothers or working mothers who are head of families?

Miss Leask: I do not believe we have anything specific of this.

Senator Fergusson: I did not want to go into it, I just wondered if you found it. They know the circumstances of the people they are visiting. They would know if they are working mothers that are going out to work.

Miss Leask: Senator Fergusson, I think perhaps Miss MacArthur and I are not as close as the nurses. If you had a nurse here out of the district—. We have asked them for their illustrations and this we find very helpful in our conclusions but I think it is a good question and perhaps one which we might look into on our own.

If we find anything, like that, Senator Fergusson, we will let you know. Certainly we feel that many of the mothers that are working are working because the income of the father is not sufficient to fill the particular needs of these families. What proportion, we would not know.

I think also that the need for day care centres, some type of care for children of working mothers to perhaps prevent some of the latch key children, as they have been called, to have some place particularly for infants to be cared for. This is perhaps the great lack.

Senator Fergusson: You would like to see the day care provisions extended.

Miss Leask: I understand—I am not sure whether this is factual—for instance, the places where infants may be cared for or homes which are recommended for children under the pre-school age are very few in some centres.

The Chairman: This is very true.

Miss Leask: A mother who has a six months old infant has to perhaps find somebody who will look after this infant and I do not know whether there is any assistance in helping to pay for them.

If it is a pre-school child there is perhaps a day care centre. It is my understanding there is very little for the infant.

Senator Inman: I was thinking about these children where the mother is away all day or probably has been ill and there is nobody there. We will say in a case of a cold which is aggravated until it becomes pneumonia. If there. We will say in a case of a cold which is attention it would not have developed to that. Do you find that, not through intentional neglect but it cannot be otherwise.

Miss Leask: I do not think we have any specific instances that we could say because we have not really looked into it.

Miss MacArthur: I think when a mother is ill, they try to get a home-maker in to that home to keep the family together but when she is working there is nothing for her.

Senator Inman: I was thinking of the children. When the mother is working she leaves the child who is ill. She cannot help it. Does that promote illness or is it a cause of illness?

Miss Leask: Yes.

Senator Fergusson: I would like to ask something about the elderly. On Page 1 you refer to the services to elderly people which have increased greatly over the past twenty years. I wonder if Miss Leask or Miss MacArthur could tell us, is that because there are more elderly people in the population or is it because the older people in the population have gotten to know more about the available services? Perhaps it is both.

Miss MacArthur: I think certainly there are more older people in our population now. Older people, if they are ill, can have more chronic illnesses than younger people and I think this is one reason our services to this group have been increased so much.

Senator Fergusson: Because of the increase in the older age group.

Miss MacArthur: That is right.

The Chairman: I think, Senator Fergusson, your second point is important. This older group have an awareness that the service is available and they take advantage of that far more than they ever did before. That is my experience.

Miss Leask: I think perhaps this is true that as the need for services to this group has

increased we have perhaps directed more attention to providing it for the older person.

Mrs. Egan: Would it not be also from your home care program, too? You are getting them from the hospitals and into the home and continuing the services and then patient to patient is one way of spreading knowledge of all VON.

Miss MacArthur: I think many of our programs, as Mrs. Egan has mentioned, are referral programs in the hospital where we have a liaison nurse with the hospital and where we have more continuity of care for patients now.

When I came into the Victorian Order, ten years ago, we had a number of stories come in where a patient would come home from hospital and then it was a month before the Victorian Order were called and they would say "why did we not know about this before?"

I do not think I have had one of those in five or six years so I think we have made people more aware.

Senator Fergusson: There is more co-operation between the hospitals.

Miss Leask: And also in the community. We are becoming more aware but we have a long way to go but with the older people, I think we have become better in reaching them or making them aware of our services and better co-ordination of services through home care.

Senator Fergusson: Again on Page 3 it refers to a definition of poverty. Poverty should be defined as psychological and you go on to describe what Michael Harrington has said in "The Other America".

That is psychological but would you be prepared to define poverty in terms of money and would you accept the Economic Council's definition?

Miss MacArthur: I think if they are denied the levels of other levels then money enters into it, does it not.

Miss Leask: Do you mean what level of money will we accept?

Senator Fergusson: I imagine you have not thought this out. You must know about the Economic Council definition. Does that seem to be reasonable.

Miss Leask: Yes. I do not think we considered it, Senator Fergusson, whether we would

accept or not. I think we would be glad to give this consideration.

Senator Fergusson: I think that would be nice, if you would.

The Chairman: Yes. You have opened the door indirectly for me. We are going to give you a chance to give it consideration. The Economic Council made a report and in their report they made recommendations as to what they considered to be the poverty line. There is no difficulty getting the report. They set it out for a family of one, two, three, four and five. Perhaps you ought to consider the single family with one and then two with two children the same age and three with children about a similar age or something like that.

Now, what we would like you to do for us is to give us a family budget, urban and rural for these persons, a family of one, two, three, four and five for what you consider to be a completely adequate family budget.

Miss MacArthur: Everything?

The Chairman: Everything, because we are dealing with this in total. We would appreciate you putting in some effort and we say this because, as we said to the other group who were here, you are close to the people. You are knowledgeable, you are certainly grass roots and you ought to know, so would you pass it on to us, please.

Senator Fergusson: I have one other question. I understand that in Ottawa there is an auxiliary to the Board, is that right.

Miss Leask: Yes, Mr. Chairman. We have auxiliaries in a number of branches.

Senator Fergusson: I wanted to ask you how many local branches have an auxiliary.

Miss Leask: I do not think we could give you an exact figure.

Senator Fergusson: No.

Miss Leask: I was going to have to hazard a guess and say 25 at least.

Senator Fergusson: That many?

Miss Leask: That many.

The Chairman: What does this mean?

Miss Leask: In addition to our Board of Management, who are elected through the community and who manage the affairs of the local branch, a number of branches have a

Victorian Order Auxiliary which may be the younger people in the community or other people or perhaps some of the older people in the community who do not belong to their Board. Usually their president or chairman belongs to the Board but these auxiliaries do a number of things.

Now in Ottawa there are two for the Ottawa branch and they raise money for bursary assistance to assist nurses to take public health preparation or to take some special program that will further their education or further the care which they can give.

In other branches in Montreal they raise money for cars because the Community Chest or the United Feather does not give them money for cars.

Senator Fergusson: You mean the cars that nurses use.

Miss Leask: Yes. To replace the cars. They raise all their money through the auxiliary. They have another auxiliary which does all the office cleaning for the branch.

Some of the auxiliary they give voluntary service and others raise money for special projects or special services which are not covered by the other funds.

Senator Fergusson: I know in Fredericton that the Board does some of that work but I think to have an auxiliary would be a wonderful thing because it would relieve the Board of those duties.

Miss Leask: And it reaches more people too. You have more people working.

Senator Fergusson: I understand one of the groups in Ottawa not only raises money for different branches but they actually give service such as going out and reading to people who cannot see.

Miss Leask: That is right.

Senator Fergusson: And do other auxiliaries do this?

Miss Leask: Yes. This is another type of service. We call it friendly visiting. You know, we have many older people who have absolutely no one going to see them, for example. This is another type of service by the auxiliary so I think there are a variety of things across the country.

Now, the auxiliary in Hull are the ones that have started the Meals on Wheels program there. They are going to operate it.

Senator Fergusson: I think we should have more information about this because other Boards may like to establish auxiliaries because I did not know about it until I found a friend of mine going out and reading to someone frequently, and she was a very busy woman too; but I am sure there are a lot of people who would like to do a little job like that who cannot enter into a lot of work in an organization but they could perhaps do that once a week.

Miss Leask: Perhaps we could have another article in our newsletter on this.

Senator Fergusson: I think the publicity would be good.

The Chairman: Well, you ladies discuss it because our minutes are widely read by people who do this sort of thing. There is a great demand for the minutes, so there you are. Talk it out. You have done very well.

Senator Fergusson: They have covered quite a lot now.

The Chairman: By the way, in referring to the budget, take a look at the minutes of the meeting of the one involving the Department of National Health and Welfare and you will find family budgets in Canada. Read that particular paragraph and it will help you understand what we are getting at.

Miss MacArthur: All right.

Senator Fournier: I have one more question.

The Chairman: Go ahead.

Senator Fournier: I think we have pretty well covered everything. I might make this little remark. Coming from a small community, compared to a larger community, there is a big difference as far as getting the VON to reach the community.

You sponsoring committee can do a lot of work and you have your VON Day, which is your little tag day where you use the Air Cadets or the Army Cadets to make door to door collections, and so on. This is the method we use at home and we have no difficulty in raising \$5,000.00 once a year. Then on the nurses card there are advertisements which are well known.

I must say that when the poor people see your card in a French area, la nurse du gouvernement, the government nurse, it serves the purpose and I do not object to that.

For the purposes of the record, Mr. Chairman, I would like to ask these few questions, if you think they have any merit. What is the population required and how do we apply for a VON organization? Very few people know about that, I would imagine.

Miss Leask: Mr. Chairman, there is no set population. I should say we have VON nurses in communities from 5,000 to large metropolitan areas of over one million and I would feel a community with less than 5,000 would probably need several communities to go together in order to provide sufficient work.

Senator Fournier: How do I make an application? To whom do I write?

Miss Leask: The national office has been given the responsibility of initiating with a community the development of services but the request may come to a branch or to any place. Eventually it reaches our office in Ottawa. It is from there that we arrange for a regional director or supervisor, who is a member of our national office staff—we have eleven across Canada—each of them have an area of Canada for which they are responsible; so the regional person in that area within the community talks to the interested persons, do a survey if they wish of the needs of the community, the possibilities of organizing, help to organize the provincial committee which will be responsible for the original organization and fund-raising, and then when the community has the financial support and public meetings which shows the community wishes these services, then we will recommend a nurse.

Senator Fournier: No more questions.

The Chairman: Your application has just been dealt with favourably.

Miss Leask: Write to us and we will carry on from there.

Senator Inman: I have one question I would like to ask. If a VON nurse went into a home where there was some illness and there were three or four children, and she found conditions such that there was not adequate food for the next meal and it was cold and there was not enough fuel, what sources could that nurse contact to have something done quickly?

Miss Leask: Well, I would say in most places it would be their welfare department that she would turn to immediately, or if that was not a source, one of your church groups, the Salvation Army, one of the agencies in the community. I think most welfare depart-

ments have an emergency service now from which you can get immediate help but I think she would use all the resources, both of the government services, welfare services, or volunteer services in the community.

The Chairman: Are there any more questions?

Senator Fournier: Even the mounted police sometimes to activate the welfare people.

Miss Leask: I was going to say in addition to the fireman answering our phone, the mounted police do it in some places. We have various people.

Senator Fournier: We use them at home. They are very effective.

Senator Quart: Incidentally, I understand in Woodstock, they had a good program for Meals on Wheels, is going back to it again.

The Chairman: Brantford?

Senator Inman: At Woodstock.

The Chairman: In Nova Scotia?

Senator Quart: No; in Ontario. At a local council meeting in London, Ontario, one group suggested starting Meals on Wheels and someone said, "Well, maybe we should contact the Victorian Order of Nurses," so you are really becoming known for Meals on Wheels.

The Chairman: I think I should say this to the Victorian Order of Nurses: our association—with the Victorian Order of Nurses dates back many, many years. My own association goes back more than a quarter of a century when I first knew them; I think I express to you what perhaps needs saying, and that is, there is a very warm spot in the heart of Canadians for the kind of service that you bring.

You are spread much too thin but on the other hand, we who know what you are doing are very proud of the work that you are doing and the dedication that you have to that work.

We are very happy that you took the time to make a brief and to come before us. We are glad to see you. You have been before other committees on other occasions and have been helpful. You have been helpful here today. On behalf of the Committee I express my sincere thanks.

Miss Leask: Thank you very much, sir.
The committee adjourned.

APPENDIX "A"
SUBMISSION
TO THE
SPECIAL SENATE COMMITTEE ON
POVERTY

by
Canadian Nurses' Association
50 The Driveway
Ottawa 4, Canada
(613-237-2133)

June 1970

To Special Senate Committee on Poverty

The Canadian Nurses' Association wishes to preface this submission with an expression of appreciation to the Special Senate Committee on Poverty for the opportunity to record observations and recommendations on this subject.

Summary and Recommendations

The profession of nursing in Canada is concerned with the total health care of individuals, families and communities. The traditional role of the nurse is the care of the sick; of equal importance in the context of total health care is the role of the nurse in the prevention of illness and the maintenance of health. This dual role involves the nurse and the nursing profession in the social and economic structure within which man moves and creates the environment on which much of his well-being depends.

There are, within the Canadian Nurses' Association, more than 82,000 professional nurses providing constant attention to a vast cross-section of our population. By the nature of nursing, the professional nurse is constantly exposed to various aspects of poverty and is continuously aware of the cause-and-effect relationship between economic and physical or mental distress. By the sheer weight of numbers in combination with the nature of their work, the nursing profession probably has more experience with poverty and its effects than any other segment of the Canadian population. The circumstances of massive exposure deter us from documentation in depth of the question of poverty and lead us to set out for examination only broad, general, but emphatic, impressions.

An axiom of good medical or nursing care is to treat the cause rather than the symptoms. Tragically often, in the experience of the professional nurse, the cause of illness is

rooted in economic conditions which are beyond the jurisdiction of nursing care and non-responsive to the healing arts. It is against this background that we speak of poverty in relation to health.

In raising our voice at this time we are aware that we must record observations and make recommendations that are costly and that we do not feel competent in all cases to recommend how these costs could or should be met. We believe, however, that

the health of our population is of vital concern to the people of Canada;
the cost of health services is rising and will continue to rise;

poverty is a major, contributing cause of ill health and an impediment to the maintenance of good health;

to the extent that poverty, as a contributing cause of ill health, can be removed or mitigated, the total cost of health care will be decreased.

The nature of the recommendations we propose to make later in his brief is summarized as follows:

(a) Provision be made for the education and effective use of more public health and other types of nurses as a means of preventing illness as well as speeding recovery.

(b) More effort be devoted to experimenting to seek better methods of bringing health care to the poor and, simultaneously, greater efforts should be made to coordinate the knowledge and services of health and welfare agencies at the delivery level.

(c) More consideration be given to establishing an economic level at which good health can be maintained not only by the dependent poor but also by the independent

ent poor, whose meagre, but hard-won savings from an earlier period in our economic history are depreciated by inflation.

Background of the CNA

1. The Canadian Nurses' Association is composed of a federation of ten provincial nurses' associations, and is the only organization that represents the professional nurses of Canada on a national and international basis. The national association was formed in 1908 as a federation by existing provincial registered nurses' organizations to establish a unified national body for the purpose of improving the quality of nursing care for all Canadians. It was incorporated as the Canadian Nurses' Association in 1947 by a special Act of Parliament.

2. The CNA is the largest professional organization in the health field in Canada and has a membership of 82,826¹ nurses. Membership in CNA and the International Council of Nurses is obtained through membership in one of the provincial associations.

3. To work effectively at its assigned tasks, to remain truly representative of all its members, the CNA is organized in such a manner that it draws its strength and authority from the provincial associations while remaining national in outlook and conduct. Authority and responsibility for the direction of CNA are delegated to the Board of Directors by the members of CNA. The members of the Board come from the provincial nurses' associations and serve voluntarily, without remuneration.

4 The Board is composed of a representative from each of the provincial associations—this is normally the president, an elective office in the provincial association; the chairmen of each of the three standing committees, Nursing Service, Nursing Education and Social and Economic Welfare (the chairmen of these committees are appointed by the Board); two members of the nursing sisterhoods; the president-elect; two vice-presidents; and the president.

5 The objectives of the Association are as follows:

(a) to formulate policies in the field of nursing service, nursing education, employment relations, for the purpose of advising the provincial associations with regard to the maintenance and improvement of the ethical and professional standards of nursing education and nursing service, and the economic standards of nursing employment, and

(b) to provide effective media for exchange of information within the association and with other organizations.

6. The promotion of health is the basis of the profession's concept of nursing care. A nurse's ultimate goal is the maintenance of good health of the individual. CNA's program and policies provide the means to promote the highest standards of nursing practice to the end that the best possible level of health service may be available to all Canadians.

7. CNA recognizes the need for all disciplines, organizations and agencies or officials responsible for health services to Canadians to work in concert toward their common objectives. Its policies facilitate and invite this community of effort.

Definition of poverty

8. Many definitions of poverty have been submitted to the Senate Committee. Ours is not original but combines the thoughts of other writers and gives us a starting point from which to discuss poverty and its implications as nurses see it.

9. We recognize that poverty may be intellectual, social, spiritual, financial, perceptual in nature and that it could be described as the:

"inability to provide from one's own resources the necessary food, shelter, comfort and developmental opportunity for one's self or family adequate to ensure optimum health and satisfying self-expression."²

10. Examples without number exist of situations in which poverty of one kind or another, or a combination of some or all factors, affects the health of an individual or a whole family. Everything that goes into making one "poor" has an effect on health—dirty, decrepit, crowded, inadequate housing; lack of education; lack of food, lack of suitable clothing; and inaccessibility or lack of health services result in illness and because of illness, the poor are unable to take advantage of opportunities that could lift them out of their poverty. Ill health and poverty literally feed on each other in a vicious circle of cause and effect.

Why Canadian nurses are concerned about poverty and health

11. The concern of nurses for the poor and underprivileged has its roots in the very origin of professional nursing, generally attributed to the era of Florence Nightingale

and, in Canada, to Jeanne Mance. Visiting the "sick poor" to provide nursing care and to bring the message of health by practical demonstration has always been an essential part of nursing. Added to this approach and more basic, since it provided the impetus to visit, was the humanitarian concern for the unique worth of every individual. Technological aspects, with their tremendous diversity of knowledge and fields of specialization, have become more pronounced in recent years but have not obscured the intrinsic compassion of nursing.

12. As a result of the increase in specialization in nursing, some branches of the profession encounter today's poverty more bluntly than others. Of these branches, public health nurses engaged in home visiting are likely to see the most forceful impact of poverty on health. Other nurses in hospital admitting offices, out-patient departments, physicians' and clinic offices are in contact with different aspects of poverty; bedside nurses see yet another side of poverty—its long-term effect on the individual patient. Thus, nursing as a profession considers that it has a vital concern with poverty and a vital contribution to offer to the present deliberations on poverty and health.

Commentary on poverty and health

13. It is difficult for nurses to stick to the narrow confines of what most of the public regard as "nursing" when they are so well aware of the factors that produce the conditions they are trying, in their own way, to cure or improve.

When a nurse, in visiting an unemployed, employable man, who has worn out his last decent pair of shoes, suggests where he might get a used pair for 50c to enable him to go for a job interview, she is well aware of the inadequacy of income and its eventual effect on health.

When a nurse sympathizes with a mother who says she will have to start milking the cows at 4:00 a.m. in order to catch the bus at 7:30 a.m. to keep a 9 o'clock appointment at an outpatient clinic miles away in the city, where the nurse knows she will probably be left to wait till 11:00 a.m. before she is seen, the nurse is well aware of the inaccessibility of health services.

When a nurse arrives at a school to find a six-year old huddled in the entrance on a frosty morning clad in a thin jacket and trousers, with both feet frozen because he

is wearing rubber boots and no socks, she is well aware of the inadequacy of some mothers to care for children.

14. Countless examples of what poverty and the concomitants of poverty have done to the physical and mental health of families and individuals could be found in the health records of the poor, but the demoralizing and debilitating effects are difficult to measure. Nurses become discouraged, frustrated and angry at their helplessness to bring about change in the basic problems of poverty. The costly and sometimes futile expenditure of energy and money are wasted unless some one is able to tackle and solve these problems.

15. Nurses, who are daily exposed to the adverse influence of poverty on health must ask: Why, in this age of expansion of the economy in Canada, must we have one-fifth of the population existing in poverty? Must we wait until slum areas of cities collapse before we can see people decently housed at rents that bear some reasonable relationship to their incomes? Need we have the dirty, depressing, dangerous buildings in our cities, towns and rural areas that go under the name of "homes" for far too many of our citizens? Architects and planners and builders know how to make decent low-cost housing now. Surely this must be a priority in Canada?

16. The waiting lists of old people who are desperate to get into some decent kind of housing would be available from every organized community in Canada. So limited is this accommodation that many of these people will die before they ever reach the top of the list.

17. There is no need here to stress the effects of over-crowding, of lack of privacy, of filthy, poorly-lit, depressing environments on the health and welfare of the residents—it is self-evident—but nurses struggle with the results of such conditions constantly.

18. Why is it so difficult to persuade people that an ounce of prevention is still worth a pound of cure and that to prevent illness is cheaper and wiser than to treat it after it develops? We are well aware that the poor are at a disadvantage when it comes to using available services, but for that very reason we should increase the public health staffs so that concentrated effort could be spent on the groups at risk—the old, the multi-problem family, the deprived, the inadequate—in our communities.

19. It takes long, sustained effort to bring about measurable improvement because improvements involve change and change in health habits involves not doing things "to" or "for" but "with" such groups.

20. Nurses are concerned also with the greater numbers who could use more nursing help in their home environments, yet the percentage of nurses engaged in public health has decreased over the years. Communities now contain many people who formerly were expected to get their health care in hospitals. Tuberculosis patients are living and working in their communities—not lying in hospital beds. Mentally ill are being treated and returned to their homes, elderly people with chronic health problems are living longer and staying at home with their illness because they cannot get into hospitals; many retarded children are kept at home now; surgery patients are discharged earlier. There are more one-parent families, more illegitimate children² and more unmarried mothers keeping their babies. Many of these mothers could use more knowledge of child nurture. The progress of medicine and medical research and the emphasis on rehabilitation has made it possible for many more people to be active and contributing members of the community.

21. At the same time, many of this growing group need help—nursing care or supervision or health teaching—to maintain their health status. Family planning information should be readily available to all segments and much of this kind of education can be done only by individual teaching.

22. Why, for example, is it so hard to persuade the public that such simple preventive procedure as fluoridation of water supplies would benefit dental health, particularly important to the "poor" who rate dental care very low on their priority list?

23. Why can we not be more imaginative and effective in our programs of health service? Fragmentation, gaps in service, inaccessibility, overlapping, lack of coordination, all plague the health institutions and baffle the poor.

24. Could not governments encourage experimentation with such programs as neighborhood health centers located near enough to depressed areas that the family could get to them easily and where they could get complete family care, where there would

be screening, possibly first level treatment and easy access to further care, medical or otherwise?

25. Could we not make real efforts to bring about the coordination of programs designed to help the poor? The work of the Special Planning Secretariat to date is being effective in this field and its work should go on. But whatever planning is done in far-away offices will only be effective if carried on by the actual field workers who see the families.

26. Not too many years ago in one Canadian city it was possible that one family might have as many as twenty different health, welfare or educational workers visiting their homes at different times—each with a legitimate concern for some aspect of the family's welfare. The time of many skilled workers was largely wasted because there was no coordination of effort, not to mention the family's feeling of being fragmented, confused and unable to use most of the services offered. Fortunately, in that city that kind of duplication and confusion is being replaced by pre-planning and conferences as to who will be responsible for what service.

27. Would not health departments be logical agencies to take the lead in bringing about such coordination of services? The Area Development Project conducted in a metropolitan area in western Canada, demonstrates what might be accomplished with acute problem-families if services were integrated through one worker, such experiments should continue, but they need encouragement.

28. Today the consumers of health and welfare services are no longer content to quietly accept, or more often reject, the services provided for them. They are vocal and in some areas organized and outspoken about what they want. We need to listen and encourage the poor to help us provide what they see as their pressing needs. The "Opportunities Program and Opportunities Allowances for Persons on Social Assistance" started by a group of indignant welfare recipients, is an attempt to operate self-help activities and to train and move into employment the various senior citizens organizations; the Indian Brotherhood's expressed concerns are some examples that there is an aroused interest in demanding their "rights". There is indeed a "revolution of rising expectations" as Adlai Stevenson expressed it.

29. Rather than being irritated we should capitalize on this concern and make use of "natural leaders" in the group. In many instances they could be trained to work with public health agencies, to teach basic health practices. The Department of Indian and Northern Affairs has made good use of this idea in their training of community health workers (see Appendix 5).

The elderly citizen

30. Probably one of the groups which nurses see in growing number and which arouses their feeling of helplessness more than any other group, is the old. The old man in his single room cooking his two meals a day on an electric plate at the foot of his bed; the slightly senile old lady, muddling along in her cheerless basement room; the old couple desperately trying to hang on to the home they have lived in for years when incomes are dwindling to the point that all they will cover is too high a rent and the barest of meals.

31. The number of old people is growing as people live longer—in 1961, 7.6 per cent were over 65 (1,600,000)—by 1971 there will probably be 8 per cent (1,800,000).

32. Visiting nurse organizations such as the V.O.N. could supply countless examples of the elderly sick who are trying to stay in their own homes as long as they can manage. More planning should be done to see that this segment of the population has suitable care available. Their needs might range from acute care in general hospitals with rehabilitation, to extended care in a less costly facility, to nursing home care, to boarding home care, to living in their own homes with available homemaking and nursing care as required.

33. Alberta has provided us with one example of good institutional care for the elderly but good as it is it does not provide the complete answer to this problem.

34. The possibility of having day care centers similar to the Baycrest Hospital Plan in Toronto would help old people not only to live longer in the community but would help them to live more fully.

35. Geriatric centers such as those operated in Vancouver^a and health maintenance clinics for senior citizens as conducted in London^b would also be practical ways to put old people in touch with needed care.

The role of public health nurses

36. More than 80 per cent of employed professional nurses work in hospitals or institutions where they have limited opportunity to exercise an educational influence on the prevention of illness and the maintenance of health. Greater opportunities to pursue the health concept that an ounce of prevention is worth a pound of cure are afforded nurses who see patients in their homes or their communities. This function is usually carried out by public health nurses (Appendix 1).

37. To understand why public health nurses have a particular concern with poverty and its effects, it is necessary to enlarge upon the role of the 7,900 nurses who are presently engaged in public health work in Canada (Appendix 1). They are the "front line" workers in the unending battle to improve the health of the total population. A large proportion of the public will never use their service directly, but the service is still needed to maintain the health level of the community (Appendix 2).

38. Once the "routine" services are established for all, the nurse's time is spent with the ones who have the greatest need for help in achieving or maintaining better health (Appendix 3).

39. The largest number of public health nurses (5,728) work for federal, provincial or local health departments or the few visiting nurses services and are assigned definite districts (Appendix 1). They become known as the "community health nurse" and, in turn, come to know their communities as probably no other single category or worker ever does. The visiting nurse services are the main resource in giving bedside care in the home.

40. They come to know the "poor through their visits to homes either to give bedside nursing care, or when offering assistance with health problems. They see the children of the poor in schools where they are all too readily visible as being different; they meet them in waiting rooms of well baby centers, of tuberculosis and venereal disease clinics; in the crowded waiting rooms of outpatient centers; in nursing and boarding homes where many of the elderly poor must end their days; on the Indian reserves and in the Eskimo villages.

41. Special mention should be made of the group of public health nurses who work in the isolated areas of Canada, either with the Department of Northern Affairs or with Provincial Health Departments in remote spots

or at Red Cross Outpost Hospitals (Appendix 4). They have responsibilities over and beyond those usually associated with public health nurses (see Appendix 4) and they come in touch with a large segment of Canada's poor.

42. The preparation of a public health nurse is, therefore, important. She must be a qualified nurse with preparation in public health obtained at a university. She must be able to serve all age groups, both the well and the sick, in a great variety of environments. She must have knowledge of cultural differences, of human behavior, of sociological implications. She must have specific knowledge of such problems as drug addition, alcoholism, mental illness. She must, in her field, be competent at communications, at dynamics, in coordination.

43. The preparation of public health nurses—as indeed of all nurses—cannot remain static, but must change as demands for health care change.

Shortage of prepared staff

44. If public health nurses are going to be able to do all the tasks expected of them, and particularly if more use can be made of their talents in the war on poverty, there must be more of them.

45. The percentage of nurses working in public health in relation to the total number employed has remained almost the same over the past years, while the need for their services has grown rapidly.

46. In 1966, 8.6 per cent of the total number of professional nurses employed in Canada were working in public health, (general public health, schools, occupational health, visiting nursing). In 1968, this figure was only 8.3 per cent and of these only 6 per cent were in general public health and visiting nurse positions. If the visiting nurse services are examined separately, it is seen that the percentage has also decreased from 1.5 per cent to 1 per cent in 1965.

47. The lure of other occupations and professions and the shortage of funds in employing agencies would probably account for the decreasing numbers.

Recommendations

48. Professional nurses are not economists but they can be considered front line workers in helping those embedded in poverty to extricate themselves and to have opportunities to lead healthier lives. To enable nursing to yield a full measure of benefit in terms of

improve health and reduced health care costs, requires changes in our socio-economic approach to the problem of poverty and its effects on health. Fully aware of our lack of expertise in the field of economics, we submit that money intelligently spent to maintain good health and to improve health is not a cost, but rather it is an investment. Some of the more obvious areas where these circumstances prevail are identified in the following recommendations.

1. More staff be prepared and provided in the public health field.

2. More encouragement and money be made available to experiment with new ways of bringing health services to the poor (see Appendix 6).

3. More effective efforts be made to coordinate the services of health and welfare agencies at the level of delivery so that there would be less fragmentation, more continuity and better quality care.

4. More attempts be made to train natural leaders in community settings to assume some responsibilities in the health program for their group (see Appendix 5).

5. Allowances be provided for the dependent segment of the population at a level and in such a way as to preserve the dignity and worth of the individual.

6. The plight of the "independent" poor (those on fixed pensions for example) be examined and steps taken to ensure that their income is at least as good as the dependent poor.

7. A much extended program be undertaken for health care for the elderly poor from provision of adequate assistance to help them remain at home, to sufficient and suitable facilities for all levels of care, according to their needs.

8. More financial assistance be made available to prepare the increasing numbers of nurses to work, not only in the present community programs but to prepare them to work in the programs of the future.

9. Renewed and sustained efforts be made to improve housing. Canada has built up good housing legislation, but it is not being used to meet more than a fraction of the need.

10. Proven effective preventative measures such as fluoridation of water supplies be enforced. In 1967 only 4,324,000 people lived in areas where water was fluoridated.⁷

APPENDIX "B"

BRIEF TO THE SPECIAL SENATE
COMMITTEE ON POVERTY

by the

Victorian Order of Nurses for Canada

Mr. Chairman:

We have the honour to present a brief from the Victorian Order of Nurses for Canada.

In 1961-62 briefs were presented to the Royal Commission on Health Services in the nine provinces in which branches were established, and from the national organization.

In 1964 a brief was submitted to the Special Senate Committee on Aging of which you were also the Chairman. We have not, therefore, included detailed general information about the overall services in this brief, but have tried to point out the special problems related to poverty.

This brief is respectfully submitted by the Victorian Order of Nurses for Canada and will be presented by:

Mrs. E. J. Egan

Mr. F. W. Troop

Miss Jean Leask

Miss Christine MacArthur

VI. Possible Solutions for Assuring Better Health Care for the Poor

VII. Conclusions

VIII. Appendix

I. INTRODUCTION

1. When we were asked to make a submission to the Special Senate Committee on Poverty we did not feel we had sufficient data documented to be able to substantiate any statements we might put forth. However, since we do provide service to all economic levels in nine provinces, it was suggested that our experience would provide the basis for certain assumptions in relation to poverty. No study was undertaken, but anecdotal information as outlined in the attached appendix was obtained from representative branches in all provinces and using this and their additional comments as well as statistical data available, we have attempted to portray some of our concerns and some of the ways in which persons in the lower economic level may be helped to achieve their maximum potential and live in dignity with a sense of worth.

II. BACKGROUND INFORMATION

2. The Victorian Order of Nurses for Canada is a national, voluntary public health nursing organization whose primary function is to provide a visiting nursing service in its 90 branches located in nine provinces. Other services are undertaken to fill a need for service which is not being offered by another agency or to initiate or demonstrate a service which should be developed.

3. The service given by a Victorian Order nurse is centered not only on the individual receiving care, but on that individual as a member of a family in a community "an individual whose illness and health, mental, physical and emotional, will be influenced by, and will influence the health and illness of others members of that family and that com-

CONTENTS

- I. Introduction
- II. Background Information
- III. Definition of Poverty
- IV. Concern re Poverty
- V. Problems Encountered in Providing Service
 - Nutrition
 - Housekeeping Service
 - Housing
 - Special Needs
 - Central Information Centre
 - Co-ordination of Services
 - Counselling Service
 - Transportation

June 1970

munity".¹ In providing skilled nursing care on a visit basis, each nurse can care for a number of patients in any one day.

4. For over seventy years Victorian Order nurses have been helping sick and disabled people maintain and regain their health and usefulness. In the past 20 years, the number of elderly people who have been assisted to carry on their daily lives within the familiar surroundings of their own homes, has shown a marked increase. Patients in the older age group not only prefer to remain in the community, but often make better progress at home. To be able to do this, a variety of services may be necessary. For some, shopping and household cleaning are a burden, some are not able or have not proper facilities to cook meals which are balanced and nutritious. For these people part-time homemakers and meals on wheels services are a decided benefit. In a few branches the Victorian Order is administering these services as an adjunct to the nursing service. As a result, more people can remain in their own homes. In providing nursing service, conditions arising in related areas such as economic, housing, social, reflect on the efficacy of care.

5. Visiting nursing has been associated with poverty since the beginning of time when the church sent out deaconesses to care for the sick poor. The first non-sectarian visiting nursing service was started in England in 1859 by William Rathbone and was also to assist the poor. In 1893 the Henry Street Visiting Nursing Service in New York City was established to aid the sick and the destitute and in 1897 the Victorian Order of Nurses for Canada was founded. One of its original objects was to alleviate the hardships and deprivation of women and children in outlying areas where many were living under poverty conditions.

6. Because the Victorian Order has always given care to persons requiring it regardless of their ability to pay, for many decades the major part of the service was provided to people only able to pay part of the fee or those unable to pay anything. This was particularly true during the depression years. With the advent of hospital insurance and social assistance programs, and now medicare,

¹Elizabeth B. Hager, "Family Focused Care", *Fifty Seventh Annual Report of the National League for Nursing Education* (New York: National Headquarters, 1951), p. 304

there is a feeling that health needs are being met.

7. As already mentioned, the Victorian Order has no statistical information on poverty per se, but we do have a fee structure which is based on the cost of service with a sliding scale according to the patient's financial ability to pay. From the overall service statistics for 1969, it is determined that 168,669 (14 per cent) visits were classified as free and 336,337 (27 per cent) visits were paid for by government under existing legislation for welfare assistance. This does not include visits paid for under Home Care Programs and many of these visits would have fallen into these two categories. In addition to these, there were 314,502 (25 per cent) visits made to patients who could only pay a part of the fee. Many of these people are managing on very limited resources, but want to pay even a small amount rather than subject themselves to a needs test. Since service is given only when requested, it can be assumed that there are many instances when poor persons could benefit from a visiting nursing service, but they are not aware it is available to them.

III. DEFINITION OF POVERTY

8. In determining the criteria for poverty, we liked the definition from "The Other America" by Michael Harrington. He states, "Poverty should be defined in terms of those who are denied the minimal levels of health, housing, food and education that our present stage of scientific knowledge specifies as necessary for life as it is now lived in the United States. Poverty should be defined psychologically in terms of those whose place in society is such that they are internal exiles who almost inevitably develop attitudes of defeat and pessimism and who are, therefore, excluded from taking advantage of new opportunities".¹ Although this statement refers to United States, it could apply to Canada.

IV. CONCERN RE POVERTY

9. For many centuries it has been recognized that there is a relationship between poverty and ill health. Economic deprivation and low standard living conditions have been associated with high rates of disease and death. In 1910 the Metropolitan Life Insurance Company arranged to have visiting

¹Michael Harrington "The Other America". MacMillan Publishing Company, New York 1964.

nurses attend certain sick policy holders in their homes because of the high mortality rate among this low income group. There was a decided improvement in the mortality rate and this service was continued for fifty years when more comprehensive health services were being made available. Even with the emergence of extensive community health programs, malnutrition, disease and poverty are still wide spread. Since World War II the standard of living has risen generally. Medical insurance programs have been initiated and social welfare assistance has been implemented so it would seem that poverty should be eliminated or greatly reduced except for those hard core areas. But it is very clear that poverty and its attendant ills are not vanishing and it would appear that there is a greater segment of the population living under poverty conditions than there were in the so-called 'lean years' of the thirties. Contributing factors are increasing cost of food, housing and other necessities and the larger number of older people who are dependent on social security pension, savings or personal pensions which are now inadequate. Unemployment is a major factor in some areas and it is more pronounced in certain seasons. Unemployment is also accentuated by lack of necessary skills or education. Another large group affected by poverty is women with young families whose husbands have died or deserted. However, the greatest amount of poverty seems to exist in that increasing group of disabled, retired and aged persons. In the Victorian Order about 75 per cent of our service is to persons over 65 years of age who for the most part, are living on very limited incomes, often the old age security pension only. They are independent and want to remain in their own home—be it only a small room.

V. PROBLEMS ENCOUNTERED IN PROVIDING SERVICE

10. The Victorian Order is primarily interested in the health needs of all citizens but physical health is so closely inter-related and dependent on other factors such as income, housing, nutrition, mental and emotional health that they cannot be ignored. However, our comments will be confined primarily to health services.

11. Although it would seem with the advent of hospital and medical insurance plans in all provinces, the health needs of the citizens should be adequately met, there are still many people who are not getting the care

they require. With the exception of the Home Care Programs established in a relatively few areas, there has been no provision for visiting nursing service in the insurance plans. It has been demonstrated that with medical and nursing care, many people could be cared for effectively and economically in their own homes where with the support of their families and friends, recovery and rehabilitation is strengthened.

12. At the present time almost everyone has coverage for hospitalization and many are not willing to pay the additional cost for care at home. The Canada Assistance Act does make provision for payment for service to persons receiving public assistance, but this is permissive legislation in most provinces and even when enacted, is only available to those persons who meet the restricting criteria for assistance. The Victorian Order maintains its policy that care is never refused because of financial inability to pay. About three quarters of the branches are members of Community Chests and great pressure is being put on the Victorian Order by these Chests to secure payment for service from welfare programs. Limitation of funds has a restricting influence on the development of programs and on services which could be directed to the great numbers of medically indigent people.

13. Unfortunately social assistance is not generally available to the medically indigent or those just above the poverty level. These people may be able to manage the necessities of life, but any additional is a real hardship.

14. Some situations related to health services and common to all areas across Canada are presented for consideration.

Nutrition

15. Poor nutrition is reflected in poor health. Lack of proper food may be due to lack of income, inadequate cooking facilities, lack of knowledge about household management or lack of physical ability to cope with shopping and meal preparation. In an affluent country as Canada now is, it is incredible that so many people are not receiving the basic nutritional requisites. Lack of income would seem to be the major reason for poor nutrition. If a person is on a special diet, food cost are often prohibitive and there is little provision in welfare assistance for these exigencies. Inadequate cooking facilities are a common lack, particularly among older people who are often living in one room. Many of these people have no refrigeration

and only a hot plate to cook on. Obviously they cannot prepare nutritional meals. Meals on wheels services have been instituted in some areas and the provision of a hot, nutritious meal has changed the physical and mental outlook for these people. Since these programs have been organized and supported almost entirely by voluntary effort, they are fairly limited. In some instances only one meal a week is provided, the most is five meals a week. If these services were supported by public funds they could be initiated and expanded so that anyone in need of such service would have it available. The resulting improvement in health would be inestimable.

Housekeeping Service

16. More recently there has been recognition by some governments that a housekeeping service assists in maintaining family unity and also make it possible for a person to return home early from hospital. A part-time housekeeping service also assists older people to maintain their own homes and to remain in them rather than being institutionalized. The cost of housekeeping service has been escalating as have other costs and today there are few people who can afford the full fee for this necessary service. Some type of subsidization is indicated if people are to receive the services they require to maintain health and well-being.

Housing

17. As already mentioned, housing is a real problem for people in the lower income brackets. This has particular reference for families with young children and older people. Our branches in Vancouver and London did a one-day survey of their patients when we requested information for this brief and in Vancouver, 33 families were living in sub-standard housing; in London there were 12. This could be multiplied many times across the country. Poor housing affects physical health, but it can have a devastating effect on mental health and attitudes. Again some efforts have been made to eradicate slums and provide low cost housing, but developments are very slow. There is a great need for various types of accommodation, for example low rent housing for families with children, housing units for older people where they can get the services they require, convalescent homes and nursing homes. These latter should have standards set down and regular supervision provided.

Special Needs

18. Under the present arrangements for health care, there is no provision to meet the special needs of patients requiring eye glasses, dental care and particularly dentures, hearing aids, artificial limbs or special appliances. These aids make it possible for a person to retain his involvement in the world around him. Without them he is often cut off from society and can deteriorate to a state of loneliness and despair. Assistance for these aids at present is, for the most part, secured from voluntary groups. Frequently a great deal of nursing time is used in acquiring these aids for patients.

Central Information Centre

19. Many people are not familiar with the resources in their community and there is a need for a central information centre where anyone can be directed to the facility which can best meet their existing need. The telephone number and address of the centre should be well publicized so that it is readily accessible at all times. Older people particularly are uncertain about where to get help.

Co-ordination of Services

20. Although there are many health and welfare programs in operation, in most areas there is a lack of communication between agencies which may result in overlapping or in no service at all. The Victorian Order has endeavoured to initiate referral programs in all hospitals in their branch area to provide for continuity of care when patients leave the hospital. There has always been a plan with nursing staff in departments of health for the referral of patients to avoid duplication of service. But as far as individual go, communication with other agencies or departments leaves much to be desired, and in seeking help they are frequently shuffled from office to office with no personal interest in their problem.

21. In some areas there is fragmentation of service with a number of agencies providing the same basic service. For example, in one area, four agencies provide placement for neglected children, three agencies provide housekeeping service, three agencies provide non-profit day nurseries, eighteen organizations are involved in rehabilitation of the aged and the physically and mentally handicapped. Thus a family may be receiving service from three or four agencies with little or no communication between them unless they all arrive at the home at the same time.

22. There could be some form of central registry where families were listed and any agency involved with the family noted. It would need to go further than this if an objective plan was to be made for communication between agencies so that the best interests of individuals and families were met.

Counselling Service

23. Generally speaking, counselling services in the past have been considered a function of social workers but with the emphasis on educational programs, counselling is the responsibility of all disciplines and should be integrated into their basic service.

24. There is a great need for education and counselling for young adults on marriage, family responsibilities, housekeeping and budgetting and this is particularly true in the low income group where the tendency is to take the line of least resistance or just give up. In a few areas projects have been initiated whereby a housekeeper goes into the home to show the housewife how to make the best use of what she has to the best advantage. These projects have been quite successful, but they need to be expanded into more areas. Such education would have a decided effect on the mental and physical health of families.

25. For the first decade of this century, health programs emphasized prevention of communicable disease which was related to infants and young children. The success of these programs resulted in more infants reaching adulthood and with increased scientific knowledge these adults are living longer so that we now have large numbers of persons in the over 65 age bracket. Although more attention is being focused on this group, there are still many gaps and inadequacies in services.

26. One need is for a counselling service where older people can talk about their concerns and receive guidance and help. In Vancouver the Silver Threads Club asked the Victorian Order to provide a nurse for a short period each week at the Centre to be available for consultation with anyone wishing help. The time was increased until it is now full time and a doctor is also available. This counselling service has been valuable in seeing that persons get medical care early if indicated; in helping with interpretation and follow-up of physician's orders and in giving these people the assurance that there is someone readily available who can give them the

help they need. Medications are checked when possible, diet is stressed and information on low cost meals is given. Follow-up visits to persons' homes are made when necessary. Other community services are interpreted to them.

27. Similar centres have been set up in a few other areas, but they have not as yet become an accepted program in all communities. Since most communities now have Goden Mile Clubs it would be a simple matter to have a counselling service included.

Transportation

28. One of the difficulties the poor encounter in obtaining health services is lack of transportation. Most hospitals, out-patients departments, doctor's clinics and offices are located in central areas and people have to travel a distance to get any medical attention. Few physicians make home visits. If a mother has to take a sick child to the doctor she has to find someone to look after the other children and get herself and the sick child to the doctor's office or clinic. Taxis are prohibitive in price and public transportation is not always available or possible. Therefore many people neglect to procure necessary medical care. Older people find it exceedingly difficult to travel by themselves to clinics or to their physician for medical attention.

VI. POSSIBLE SOLUTIONS FOR ASSURING BETTER HEALTH CARE FOR THE POOR

29. Disraeli said "The wealth of a nation is dependent on the health of that nation". Conversely we could say the health of a nation is dependent on the wealth of a nation. There are many inter-related factors concerning health in addition to economic ones. We shall outline a few areas where we believe the Victorian Order could be used to improve health care services generally but more specifically as related to the poor.

30. The present Medicare legislation makes no provision for nursing service for people ill at home. If this were included as a benefit many people could be cared for in their own homes, rather than using the expensive facilities of a hospital. The nurse who visits in the home not only gives care to the sick members but recognizes other needs of the family and gives necessary counselling and guidance for good health practices. She is able to refer families to other sources for help.

31. Since few physicians make home visits any more, a plan to have a public health nurse attached to a physician's practice would enhance the care to patients. This nurse could be the liaison between the patient and the doctor. She would be able to meet some of the needs of patients and refer to the physician only those requiring his knowledge and skill. With this plan health services would be made more accessible to the poor. In order to encourage the initiation of this type of co-operative care there would need to be some provision made under medicare for the payment of the nurse's services.

32. Because of the problem of transportation for mothers with small children and for older people in getting to hospitals for medical attention, it is suggested that community health centres be set up in each neighbourhood where people could go for medical supervision and treatment, rather than travelling to a distant out-patient department or clinic. Public health nurses would be part of the team at the centre. In such a centre a patient would relate to the community health centre as his health resource and he could establish a personal relationship to a health professional who was most relevant to his problem. Preventive activities could be carried out. The atmosphere would be pleasant and friendly. In addition follow-up home visits could be arranged when indicated.

VII. CONCLUSIONS

33. In spite of scientific advances in medical technology and provision for Medicare and

social assistance programs in our affluent society, there are still many people in Canada who are not receiving the health care services they require. Families and individuals at the low and marginal income level are particularly bereft of the most elementary requirements of our society today. Ill health is perhaps the most constant attendant of poverty. Ill health and poverty are frequently linked in a vicious cycle through inadequate nutrition, clothing, housing and unsanitary conditions. Low income and lack of education are contributing factors.

34. Existing legislation has been helpful in alleviating some of the problems but we in the Victorian Order believe if the Medicare benefits were extended to include visiting nursing service this could make a significant contribution to improvement in the health of the disadvantaged. We also would like to see social assistance programs extended to include those people in the 'gray' area just above the poverty level.

35. If the suggested ancillary services outlined in this brief are to be implemented, funds must be made available to support the expansion of programs which will improve the health and well-being of the increasing numbers of poor and near poor so that they may have an opportunity to lead productive, healthy, rewarding and happy lives. Man is a social being and his health cannot be considered apart from the societal context and the culture in which he exists. The Victorian Order is concerned with the whole man and with all men.

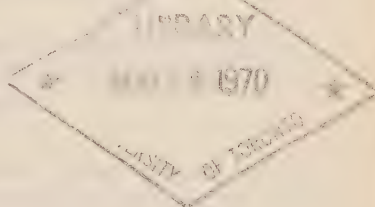


Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 48



TUESDAY, JUNE 9, 1970

WITNESSES:

The Salvation Army: Col. Wm. Ross; Lieut. Col. T. Ellwood; Col. Mabel Croll, R.N.; Brigadier Joshua Monk; Major Joyce Ellery, C.A.S.W.; Mr. Ken Pedlar; Col. John Smith.

APPENDIX

"A"—Brief submitted by The Salvation Army.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Tuesday, June 9, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Cook, Eudes, Fergusson, MacDonald (*Queens*), McGrand, Pearson and Quart.—(9)

In attendance: Mr. Frederick J. Joyce, Director; Mr. Peter Campbell, Researcher.

Also present: The Hon. Walter G. Dinsdale, P.C., M.P.

The following witnesses were heard:

THE SALVATION ARMY:

Col. Wm. Ross;
Lieut. Col. T. Ellwood;
Col. Mabel Crolly, R.N.;
Brigadier Joshua Monk;
Major Joyce Ellery, C.A.S.W.;
Mr. Ken. Pedlar;
Col. John Smith.

(Biographical information respecting the above witnesses immediately follow these Minutes.)

The brief submitted by The Salvation Army was ordered to be printed as appendix "A" to these proceedings.

At 11.45 a.m. the Committee adjourned until Thursday, June 11, 1970, at 9.30 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

BIOGRAPHICAL NOTES

Colonel Wm. Ross—The Colonel has been a Salvation Army Officer for forty years and has served, administratively, in every Province in the Dominion.

Lieut. Colonel Tom Ellwood—Administrator the Salvation Army of Family Welfare program throughout Metropolitan Toronto. An Officer of wide experience among the under-privileged.

Colonel Mabel Crolly, R.N.—The Colonel graduated as a nurse from Grace Hospital in Windsor—has acted as Administrator of some of our largest hospitals. For the past several years has been the Chief of The Salvation Army Women's Social Service work in Canada.

Brigadier Joshua Monk is the Director of our services for Drugs and Alcoholism in Metro-Toronto.

Major Joyce Ellery (Member C.A.S.W.) is the Administrator of our London Children's Village. The success attending her efforts make her particularly conversant with the Single Parent and Alienated Youth.

Mr. Ken Pedlar has been educated in various Provinces as his father's Salvation Army appointments changed. Took his B.A. in Toronto and his Law studies at Osgoode Hall. Mr. Pedlar practices Law at Kingston. He has been affiliated with our Movement since birth.

Colonel John Smith—Public Relations Officer for the Ottawa Area.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Tuesday, June 9, 1970.

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Chairman: I call the meeting to order.

We have with us today representatives of the Salvation Army Headquarters for Canada and Bermuda. No words of mine could be praise enough for the Salvation Army. On my right is Col. Ross, who has been with the Salvation Army for 40 years, serving administratively in every province in the dominion. Col. Ross will introduce his delegation.

Col. William Ross, the Salvation Army Headquarters for Canada and Bermuda: Honourable senators, it gives me great pleasure to present my colleagues. On my right is Major Ellery, who has acted as secretary of the commission which prepared this brief. The Major is in charge of the administration of our Children's Village in London, Ontario. Behind Major Ellery is Ken Pedlar, a lawyer, who has been a Salvationist all his life. He was a member of the commission which prepared the brief. On his right is Col. Crolley. She is the officer in charge of our Women's Social Service work across the dominion. Col. Ellwood is the administrator of our Family Welfare program in the City of Toronto. On his left is Col. Smith, who is our Ottawa representative and here today to keep an eye upon us. Brig. Monk is in charge of our Alcoholic and Harbour Light work in the City of Toronto and is an acknowledged expert in that field.

With your permission, sir, I would like to give a brief synopsis of our presentation prior to the questioning by this honourable group.

I would say that the Salvation Army presents its brief realizing that it is somewhat limited, in that it covers areas in which we work and with which our people are thoroughly acquainted. We would agree that the whole spectrum of poverty is much wider than can be dealt with in any brief, or indeed perhaps

by any organization or legislation. However, we submit a Forword, What is Poverty? Causes of Poverty, Poverty and the Aged, Poverty and Crime, Poverty and the Multi-Problem Family, Single Parent Families, The Working Poor, Poverty and Addiction, Poverty and the Transient, with a concluding summary.

Our first page contains a forward by the Territorial Commander, Commissioner C. D. Wiseman. We felt that the inclusion of such a forward was necessary in that it expresses the view and stand of the Salvation Army in this matter, and in some measure goes back to the very beginning of our work in this area. This, we consider, of course, as a suitable and necessary introduction to the brief. Our first chapter, "What is Poverty?" is a question we have raised ourselves, and which we ourselves find very difficult to answer. There are eight paragraphs in this section, and with your permission I would respectfully draw your attention to paragraph 5:

Obviously, poverty today is a relative term. It goes far beyond the usual economic and financial criteria. How can we compare the poverty level in some countries where thousands of our fellow humans are on the verge of starvation, with the standards of living at all levels in the wealthier nations? Elaborate welfare programs, transfer payments, health and education programs are gradually placing citizens of the favoured nations above the level of physical and material need. Yet the pall of poverty hangs over a favoured nation like Canada to such an extent as to persuade you distinguished senators to carry out this commendable investigation in depth.

I would also draw your attention to paragraph 7, because this is vital in our presentation:

Above all else poverty concerns man: the whole man, body, mind and spirit, all of which must be served if he is to live the "life more abundant". Surely it is clear today that the 'good life' does not consist in the abundance of goods we possess. We see our fine young people dropping out from affluent homes because of the atmosphere of

moral and spiritual impoverishment. We see aged parents, minority groups, the physically and mentally handicapped neglected, deprived of human dignity, human opportunity, human freedom for the same reason.

I would have you believe that we are not in any way preaching when we present this paragraph. We place it before you as our belief, and as factual.

The next chapter is "Causes of Poverty". We have endeavoured to outline only some of the causes. You will appreciate the fact that the list is very limited, sufficient only for the presentation and preparation of our brief.

Under this heading we list insufficient income, poor education and lack of skills, abuse of credit buying, and as far as in us lies we are at your service, not only to answer questions but in the sincere hope that we can find an answer to some of the problems that confront us.

This is perhaps the briefest presentation in our brief. This aspect of poverty is so apparent to all that the very brevity of our presentation indicates we postulate the fact that no lengthy discussion on this no presenting of proof is needed. We have certain recommendations attached, and you will observe that this has been the format off our brief. We say that senior citizens' residences should be built near transportation, and so on. We refer to drop-in centres, increased financial assistance and medicare.

I would like to say that in going over our brief, one of our members, Brigadier Monk, drew our attention to an aspect that we had inadvertently omitted—poverty and the aged pensioners who live in our urban areas, and it is my hope that Brigadier Monk will be given a chance to express our views in the question period.

We come to "Poverty and Crime". That there is a connection cannot be denied. I will read the headings and leave the development to question period. The headings are: Personal Recognizance; 'Time-to-pay the Fine'; The Young Offender; Free Legal Aid; Psychiatric Treatment; Pay for Prisoners, and After-care. You will note in our recommendations that certain things are in line with statements made in the house yesterday by the Minister of Justice. I do not know if he read our brief or whether in our wisdom we think alike. I cannot say.

We come to the chapter "Poverty and the Multi-Problem Family". This is an aspect of our work that we find it difficult to do more than accept as a fact

and do what we can to help. I would like to read the first paragraph, and I would like to read it in connection with the final part of paragraph 1 of our recommendations, because I feel that they should go together:

The term "Multi-Problem Family" has long been a part of the vocabulary of social theorists. It describes a family that is the victim of a deep-seated entanglement of many social problems of long duration. These families are often bypassed, or given only emergency assistance. The Salvation Army has a wide contact with this group, and is concerned because present social policies aggravate and perpetuate the problem.

Our first recommendation says:

There should be educational and rehabilitation emphasis, and we feel this can best be initiated from community or neighbourhood-base agencies. The individual must be seen as a complete person, not divided into segments of welfare, public health, school, manpower and child-welfare as he is now. We must be willing to adapt to new techniques.

Our recommendations deal with jobs and income, and income maintenance.

Next we deal with single parent families. An explanation of this is given in the first paragraph:

The absence of one parent through divorce, separation, illegitimate pregnancy or death results in a single parent family whose many problems deserve our concern and demand our attention.

Our worker who presented this part of our brief has broken down the area where help is needed into physical poverty, emotional poverty and social poverty. Also, I feel that she has given us cause for reflection in the paragraph at the foot of the page, which I would like to read into the record, inasmuch as it startled me when I found that it was true:

How much does it cost to care?

If we believe that a child's needs can best be met in his own family then our spending of the tax dollars does not reflect our thinking. Through Mother's Allowance a natural mother is paid approximately \$500 per year to meet the needs of her child. Through Foster Home care a mother is paid approximately \$1,000 a year to meet the needs of the child who has been removed from his own home. The Treatment Centre is paid approximately \$10,000 per year to meet the needs

of the child who is not able to make a suitable adjustment within his own or surrogate home.

The recommendations are before you, three in number, and no doubt will come up for discussion in the question period.

On page 8 we deal with poverty and the working poor. We contend that there is a group in Canada that cannot be left out in any comprehensive study of the poverty problem—the working poor, men and women, who have worked, and do work, but because of circumstances outside their control find their take-home pay to be inadequate to meet their financial needs. Many are faced with the fact that welfare payments will come to more than the amount accruing from their labour, and in some cases—and these not a few—the breadwinner may quit work and, sometimes, leave home so that his family may claim welfare support. The frustration and heartbreak that attends such separation, and the continued futility of endeavouring to make inadequate physical, mental and financial assets meet a need can well be imagined. The fact that the family is continually in the red leaves us little wonder to know that distinct action takes on the same tinge. It is such people that fall into the hands of credit companies and who have not the perspicacity to note the hook concealed in the bait. It is our recommendation that we appeal for action in areas that are provincial rather than federal. We cannot help this and we have no doubt that our various levels of government will eventually learn to co-operate in the interests of the people they serve.

Poverty and Addiction. There are many addictions. We feel that alcohol contributes more to poverty than any other. Our worker who made this contribution is an acknowledged specialist in dealing with alcoholics and we present this submission for perusal and review with the assurance that he is with us and will answer questions. Recommendations under this heading are brief. We are concerned with those who preceded us before this committee and no doubt those who will follow us. It is very difficult indeed not to be appetitious for many briefs deal with the same subject.

Poverty and the transient. To be quite frank with you, I am not pleased and satisfied with this contribution to our brief. At our final meeting when editing the presentation we found that we had omitted this aspect of poverty. It was dealt with rather radically that the Salvation Army, of all movements, should present the brief and omit this segment of their people with whom we deal so frequently.

We admit the fact that feeding, clothing and sleeping the transient only deals with the surface of the problem and yet we are unable to come up with a tangible solution, although it is my hope that Lieut. Col. Elwood will have some recommendations to offer. We can only say that we, who feed these men and women when they are hungry, clothe them when they are naked, shelter them when they are weary, counsel them when they will listen, realize that attending to surface and basic needs does little to alleviate or eliminate the problem. What we can do I don't know, but we present it to you as an aspect to be considered.

In the second section, alienation of youth, I can only say that we are doing what we can with the new ground. We are presently handicapped financially and lack trained personnel, but we are operating in a small way in this area and it is our hope that we will continue to do so.

Immigrants. Our presentation is before you, and there is little else to present. On the whole, we agree with the policy of your Government, but accentuate the need for professional people to be assimilated into the community. Perhaps the solution lies in the professions rather than legislation.

We come to summary and conclusions. In this regard we cannot altogether agree among ourselves. I feel that some of the statements made are quite dogmatic and not specific enough. However, I will read you paragraph 4:

To bring relevancy to these issues, the time for paternalism, superimposed programs, false optimism and hypocrisy is past. The need is to improve the quality of human relations. The human endeavour must involve people in decision making and self help projects. This is a shift in emphasis to being of service rather than imposing servility. It will require new motivation, dedication and moral courage that, we believe, best come from man's reconciliation with God.

I would say that my colleagues join with me in the belief that poverty cannot be cured by legislation nor by any particular denomination and endeavour to the good. It calls for the co-operation and the complete involvement of the company of the concerned and those who feel the challenge thus presented by the need of those who have not.

I would say, gentlemen, on my own behalf, without consulting my colleagues, that I feel we have not unlimited time to deal with this problem. It would

seem to me that the day is far spent and the night is at hand. Thank you very much.

Senator Pearson: I would like to refer to page 8, the working poor and your recommendations in regard to housing under item 1. Have any studies been made of how to improve the housing of the working poor? I notice in the cities that there are a great many homes that are vacant, for sale or for rent, but no one is able to take them apparently because they are too high priced. Can you enlarge on that at all and give us some idea about this housing scheme or lack of housing for the working poor?

Col. Ross: How the problem can be in any way solved?

Senator Pearson: Yes. Can the houses of the working poor be improved enough to make them adequate?

Col. Ross: I wonder if I could let one of my colleagues answer that question.

Lieut. Col. Ellwood, Administrator, the Salvation Army of Family Welfare Program, Metropolitan Toronto: It is very difficult in our large urban centres, because housing has not kept pace with the large influx of population. I suppose actually there is no housing shortage for people who have an abundance of money, because they can always get apartments or suitable family dwellings. When you have a limited income and a large family it is the law of supply and demand and there is not housing available. In order to upgrade the poor type of houses it means that the landlord has got to expend money to raise the standards and I suppose that is going to involve an increase in rent and this would be difficult for poor people to meet.

It seems to me that the whole crux of the problem is that there is not sufficient housing to meet the needs. I know something must be done with the provision of low rental apartments, but some people even criticize that and feel that it is not too satisfactory. The criticism has been that there is a tendency to concentrate these people into one area and perhaps these low rental areas are not always the best for children to live in. I would think that the only solution is the provision of more houses. It would seem that this is an area in which we really need government action.

Senator Pearson: In Toronto I have noticed that in certain areas they have put a number of welfare people

into groups—these might be called ghettos. They then encircle them with people who are more or less affluent. Is that a bad situation or a good one for the poor residents of those areas?

Lieut. Col. Ellwood: You mean it is not good for the poor people?

Senator Pearson: Yes.

Lieut. Col. Ellwood: I think it is all right and I think the poor people are quite satisfied as long as they can get suitable and adequate housing. In Metropolitan Toronto there has been a tendency to move out to other parts of the city in order to provide low rental accommodation. The result is that the poor people are not all concentrated into one area. There is a tendency to move away into the suburbs.

Senator Pearson: Does not this tend to hide the fact that a lot of the poor people are in the city, or does it not? If you get them scattered around, you think there is no poor living there?

Col. Smith: I do not think it does. I do not think that was the intention when this was done. I do not think it was the deliberate intention to do that. I think it is a sincere attempt on the part of the authorities to meet the housing problem.

Senator Pearson: Then it comes on to the question of minimum wage. Have you got any ideas on what the minimum wage should be or might be?

Col. Ross: Not in specific dollars and cents, but I would say it should be higher than it is.

Senator Pearson: It should be higher than it is?

Col. Ross: Yes, sir.

Senator Pearson: They have different rates in different provinces. You think some of them are too low, or they are all too low?

Col. Ross: I would say yes, sir, if a person has to live in the present time of inflation.

Senator Pearson: You have not worked out at all what you think should be a minimum wage?

Col. Ross: We discussed at meetings and we had a variety of answers, even among ourselves.

Senator Pearson: Some people could get along on less than others, manage quite well—or, I should say, manage, it may not be well, but they could manage?

Col. Ross: I think the fact that a person can manage on less is no reason why he should have less.

Senator Pearson: Thank you.

Senator Carter: Colonel Ross, can you give us some figures as to what the Salvation Army spends on poverty?

Col. Ross: No, sir, I have not got that with me here, but I can get for every member of this committee a copy of our annual statement, in which it is set forth by our auditors very clearly. It gives the income and expenditures.

Senator Carter: You cannot even give it approximately?

Col. Ross: No, sir. I am not in the position to do that but I can say that right across this country we spend large sums on poverty. What would your budget be in Ontario for your work, Colonel Smith?

Col. Smith: About \$100,000.

Col. Ross: Colonel Smith is in charge of our hostel in Toronto and the budget there, in a year is \$100,000. This goes almost entirely for welfare. You can appreciate the fact that the salaries are a small proportion.

Col. Smith: Mr. Chairman, if I may amplify that a little. When we speak about my work, I am just responsible for one segment of Salvation Army work in Toronto. My particular work has to do with correctional services and family welfare and assistance to single transient men, and a summer camp for children. But there is other work in Toronto which does not come under my budget or my jurisdiction. For instance, we have a home for unmarried mothers, we have the senior citizens homes, we have the Alcoholic & Drug Centre, "the Homestead" for women with drug and alcoholic problems, and we have other services in Toronto and my work is really only a small part of it.

Col. Ross: Brigadier Monk, would you say something about your budget?

Brigadier Joshua Monk, Drugs and Alcoholism Division, Metro-Toronto, Salvation Army: It is

approximately \$200,000 for the alcoholic work. That includes a farm in operation outside of Metro Toronto, where we have the alcoholic who has been separated from his family, who is the hard core alcoholic, involved in breakdown in relationship with people, with work programs, and so on. The budget is about \$200,000, just in Metro Toronto.

Col. Ross: That is just for your department. Colonel Crolly, I know that you have relinquished our aged work supervision, recently, but would you have any idea as to what the budget is?

Colonel Mabel Crolly, R.N., Chief of Women's Social Service Work, Salvation Army: The budget? No, because that does not come under me now.

Col. Ross: Would you care to give some indication of the work?

Col. Crolly: I will do whatever I can, but it is not in my jurisdiction. We have 32 institutions across the country, including hospitals, unmarried mothers' homes, and so on. Some of this money comes from the government. It is spent on the poor, but much of the money comes from the various provincial levels of government.

Col. Ross: Yes, particularly in your area.

Col. Crolly: Yes.

Col. Ross: I am sorry I cannot be more definite, Senator Carter.

Senator Carter: I think it would be useful if you could give the committee some information. You said you had a statement, but it would not be very meaningful to us unless you could separate what you get from the provinces, because we would be counting this kind of money twice.

Col. Ross: This would have to go, sir, to our finance department. The budget runs into some millions of dollars across the country. I do not think that anyone in this group is expert enough to separate it. It would have to come from our finance department, but if you wish I will speak to the commissioner and see if this can be supplied.

The Chairman: Thank you.

Col. Ross: Then honourable senators could place it in with the brief and they would know where we are. Is that satisfactory, sir?

Senator Cook: As a supplementary to that question, could you also find out how many cases you handle, in addition to how much money you spent?

Col. Ross: The statistics? Yes, and I regret I did not bring it with me, because we could have found that out easily enough. Perhaps you will make a note of that, Major Ellery, please.

Senator Carter: In your brief—which I like very much because it is brief and concise—you have dealt with the poor in different categories. One of the categories is the “working poor”. On page 3, you say they constitute about 65 to 75 per cent of the problem. Can you tell us where you get those figures from? They are a little different from what we have had before.

Col. Smith: Yes, Mr. Chairman. Ladies and gentlemen, if I may comment on that, we relied on a number of references in the press. But from my own day to day work with families I would say that it is reasonably correct. I might also mention that Mr. John Anderson, the Commissioner of Welfare for Metropolitan Toronto, in giving a report at a meeting which was reported in the *Toronto Daily Star* on May 26, 1969, said:

There is an estimated 30,500 families in Metro Toronto who would be better on welfare than our present minimum wage rates... Based on tax reported earned income, there are about 433,000 persons in Metro earning less than \$4,000 a year...

The Chairman: That would be 430,000?

Col. Smith: Yes.

The Chairman: That figure of 30,000 would be people who are not receiving help as against about 45,000 who are receiving help—it is up to 60,000 now. So the percentage would not be quite that high. The number who are receiving assistance is between 45,000 and 60,000, that is the last figure for Toronto. The 30,000 who are not on welfare, the working poor, would not make quite 65 per cent. The reason the question was asked of you is because we have in our minds a figure of about 50 per cent of the poor of the country who are working poor.

Col. Smith: Yes, Mr. Chairman. It is perhaps difficult to get really accurate figures but it would seem that in the past we see give the impression that most of the poor people are on welfare or getting

some kind of state aid. I think we overlook the fact that there is a large segment of the poverty problem who are working. Many of them would be better on welfare but they prefer to work. Sometimes the idea has been abroad that all the poor people are lazy and shiftless and they will not even help themselves. I think these figures show that they are really in the minority.

Senator Carter: In dealing with the working poor, on page 8 of your brief, paragraph 2, you say:

We must also realize that there will always be certain types of employment that are at the bottom of the wage-scale. These jobs are not highly productive, and it would be economically unsound to pay high salaries to those who undertake this type of work.

I wonder if you would clarify that? Are you suggesting that they should not be well paid? What is the implication? Is it that the Government should supplement what they get in some way, that they should be subsidized? I would like that clarified, as to what is your thinking behind it.

Col. Smith: Are you directing the question to me?

Senator Carter: I would like you to clarify the thinking behind this.

Col. Smith: I think the thinking behind this is that people with their education, training and ability cannot really command a high salary, and it would be an economic problem to pay them more. Take, for example, the case of a man who is running a business who cannot make his business pay and at the same time pay a very high salary for work which really does not command it. Nevertheless the fact remains that this man who is getting the small salary does need some kind of help.

Senator Carter: Well, he has to live somehow and he is not getting enough to live on, so how do you suggest the balance should be made up? Should the industry he is working in be subsidized so that he can get a decent salary, or should he receive welfare in addition to his wages? What is your opinion?

The Chairman: There is a third alternative, the establishment of a minimum income.

Mr. Ken Pedlar, Barrister, The Salvation Army: I believe we tied that in, although not very well, in the brief at the bottom of page 6 where we speak in

favour of the principle of a negative income tax. I believe we tied this in with that as being our idea of the solution. It is not so much a doling out of something but as an incentive to have them working. Therefore we suggested the bringing in of a negative income tax rather than a guaranteed minimum wage.

Senator Carter: I have one more question, Mr. Chairman, which may be a double question. On page 1, which I found very interesting, you quote William Booth as saying—"while assisting one class of the community it must not seriously interfere with the interests of another". I would like you to enlarge on that because the White Paper, for example, is going to eliminate taxes from the poor by taking them off the tax roll but then they are going to put them on to another group, so that if you are going to solve the problem, it has to be against what is in that quotation. Do you agree with that?

Col. Ross: I think there, perhaps, senator, you may be reading the work "profits" instead of "interests".

Senator Carter: But it speaks of "the interests".

Col. Ross: I know that, but are you not thinking of it in terms of profits rather than in terms of interests?

Senator Carter: What I would like is to get your definition of "interests". What do you mean by that as we find it on page 1?

Col. Ross: I thought perhaps the honourable senator was looking at the interests as the profits of the others.

Senator Carter: Well, I would think a man's profits would be part of his interests too, wouldn't you?

Col. Ross: I would think so, sir.

Senator Carter: Did William Booth have a larger idea of "interests" when he made that statement? Was he thinking of something else?

Senator Cook: He also said it must not "seriously interfere" and I think the key word is "seriously". He does not say that there should not be some interference.

Senator Carter: My last question deals with the same page, the next paragraph down. You say "...we firmly believe that our affluent nation has the resources of wealth and intelligence to find an answer to

the problem, provided we have the will to do so!" Then you repeat that on page 2 where you say "The irony and tragedy is that we have the know-how and technical skills to eliminate this social blight if only we had the will and social conscience to provide the motivation. This is where the Church with its emphasis on spiritual dimensions comes into the picture". This is the problem that the committee was faced with from the beginning. We realize that, as you have said in your presentation, it is too big a problem for government alone. You cannot correct it just by passing laws. We have to mobilize the whole Canadian public and change people's attitudes and develop a commitment. Can you give the committee any guidance as to how this can be done? I might even suggest that "commitment" is the key word.

Col. Ross: Yes, involvement or commitment, I agree with you.

Brig. Monk: May I answer that question? I believe that this is a very important aspect of poverty. We have to consider imposed poverty and self-imposed poverty, and I think poverty of the spirit is what you are trying to get at. Possibly we have here in our work men who have been at issue with the problem of getting away from a church connection or spiritual background and so on. We have been criticized because of our spiritual emphasis and possibly rightly so because if a man wanted to get a bowl of soup or a meal, he had to attend a meeting. But we feel we would be doing wrong if we did not place an emphasis on that spiritual aspect of our work, and this is where the Church with its emphasis on spiritual dimensions comes into the picture and surely the Salvation Army is a Church. At any rate we believe ourselves to be that. Apart from the social ramifications of our work, we have presented to these people the spiritual emphasis—a faith. We feel that if we cannot give these men a faith, we are not going to lift them up, so that we feel that the overall picture at large for the nation goes along with this spiritual consciousness and giving people not only a handout—because it is not enough to say to a man "Here is a dollar" or "Here is a bed", or "Here is a meal". We feel we must emphasize the spiritual aspect.

Senator Carter: Well, I was not thinking of that so much as I was thinking of the affluent people who are not concerned with poverty. If we are going to tackle the problem of poverty it will cost a good deal of money which you are not going to get unless the public is sold on the idea, and somehow or other in the public we have to develop a commitment to tackle this problem. But how can we go about that?

Col. Smith: If I may speak on that, Mr. Chairman. In days of war we seemed to be able to mobilize all the resources of the nation and make a desperate effort to accomplish our purposes. Sometimes it seems to me that in days of peace we have the moral equivalent of war and we have to recognize that this is a serious problem for our country and we must be prepared to take special measures to deal with it. As far as the Church is concerned, I suppose there is a sense in which the Church is really the conscience of the nation—or should be the conscience of the nation. So it seems to me to be a special responsibility of the Church to create a conscience on matters like this. When we think of the Scriptures, and particularly the Old Testament, we realize that the prophets were not only spiritual leaders but they were also social reformers and they really tried to create a conscience and a concern and to enlist the people in creating a concern for those who were in difficult circumstances. It seems to me therefore that the Church has a responsibility to create a conscience and to point out the great need there is of dealing with this problem.

Senator Carter: I think we are all agreed that it is part of the church's job to do it, but can we leave it all to the church? Are there not other things that can be done and other groups that can be mobilized? What can this committee do? What can Government do? How can we get out among the people and sell this idea? Have the churches doing it too—the more that do it, the better—but I do not think we can leave it all to the churches.

Col. Ross: Neither do I think, sir, that the churches have the ability to organize people to take constructive action. We can get them started, but this is a long-term thing and when the church starts a program of this sort a lot grow weary in well-doing quite early in the program. I can only point out what we have here, that the need is to improve the quality of human relations, and if, as the Colonel says, we can organize a whole country to the challenge of war, even to the point where we can glamourize it, then so much the better.

Senator Carter: But the churches do not do that.

Col. Ross: No, but the church has no authority beyond...

Senator Carter: I mean, in organizing for war, the churches play a very minor part.

Col. Ross: I would hope so!

Senator Carter: But the organization is done, it happens and it does become mobilized.

Col. Ross: The organization is carried out by Government. The propaganda is issued by Government.

Senator Carter: Yes. Do you see anything the Government can do to approach it in the same way, for the eradication of poverty?

Col. Ross: I think this has to be impressed upon the people of Canada as a war.

The Chairman: But, Colonel, we have had nearly all the leading churches before us. Next week we will have the Roman Catholic and some Protestant groups and then that will be all of them. They have all said exactly the same thing that you have been saying, and rightly so, that they are spreading a spiritual message. We are not reflecting on the churches at all and we are not suggesting that you should go out and spend great sums of money. What troubles us is that nobody in this country is angry or mad or seems to give a damn about the 20 per cent who are poverty stricken, and they are all around you. Now, what is wrong?

Col. Ross: Unless we can get a national anger or madness up, we are in a position where, God help the man who is mad enough to do something because, in the end, all our anger has to be contained within the law and we are back to the Government again.

The Chairman: No, no. I am talking about the conscience of the people. I am not talking about throwing stones; I am talking about the conscience of the nation. You said that these spiritual people are the conscience of the country, and we agree with you. What is the matter with our conscience?

Col. Ross: Well, that is a reflection on us as a church...

The Chairman: No, no, do not misunderstand me. There was no reflection intended on the church at all. I do not want that impression to get out. The church is doing what it thinks it ought to do. They know better than any of us as to what the church should do, but, in the final analysis, we find ourselves with 20 per cent of our people poverty stricken. The rest of us are affluent, living well, better than we ever did before. The distribution of the poor and affluent has not changed in 20 years.

Col. Ross: That is quite right, sir.

The Chairman: With that situation continuing, we, as men and women of the world, find it a little difficult to know why nothing has come forward or why there has not been any great emphasis placed on this or feeling about it. I do not blame you, but ask you to help us.

Senator Fergusson: I would like to hear what Major Ellery has to say about this.

The Chairman: I have her name down here. Very well, go ahead, Major Ellery.

Major Joyce Ellery, Administrator, London Children's Village: I think it is a problem of communication between the poor and the rich, and our giving of money is really through agencies so that the rich do not have an opportunity to feel the atmosphere of the poor. It seems to me that people will give if they really feel, and they have to get with the poor people and really sense the atmosphere to know the need, and then how can you help but give?

The Chairman: All churches, as we have gathered, are reaching out to the poor. Everyone who has come to us has said so.

Major Ellery: I think there are some churches who really have not felt the poor. I think there are churches within the Salvation Army probably that have not really felt the poor, because there are some people who just do not have poor people come into their church. So, unless you have a service that is going to take you out into the community and into the dives in which these people live, I do not think your conscience is really going to be awakened.

Senator Fergusson: It is not enough just to give money, through somebody else, to the poor.

Major Ellery: No, and through organizations, even such as our United Appeal, the money given, but the giver does not touch the person who receives the gift. They could just touch them, something would happen.

The Chairman: But how do you do that? You are a social worker. How do you do it?

Major Ellery: By getting involved with the people.

The Chairman: Yes, but how do we involve people? Are you in Toronto?

Major Ellery: I am in London.

The Chairman: London, Ontario?

Major Ellery: Yes.

The Chairman: You have a United Appeal in London, do you not?

Major Ellery: Yes.

The Chairman: And they give money?

Major Ellery: Yes.

The Chairman: They are generous in London and it is a rich city. You have the fine citizens there, just as you have in other places. How do you involve them? They write cheques, but how do you involve them?

Major Ellery: We are beginning to involve them in various ways. Those who can stand it we get involved with alienated youth, actually getting in and rubbing shoulders with them.

Senator Cook: In our Province of Newfoundland the Salvation Army has emphasized fellowship, apart altogether from the spiritual side. The Salvation Army has always been in the forefront of trying to create fellowship with regard to poverty and problems of that kind. Do you find that you are attracting troops all the time to your movement? What progress are you making in this fellowship, which I think you have always exemplified?

Col. Ross: I think, sir, we are not growing from the area of the poverty stricken as much as I would like. We have reached that place where our growth is something of an internal thing, and in our early days practically all our growth came from the down-trodden.

When the chairman points out the vital need for the involvement of all concerned and the studying of the conscience, our work over the years has been, in great measure, to alleviate the immediate problem—to feed the hungry and to clothe the naked; but I must say I could not answer on how to stir up the conscience of the public in this regard because a man only sees what he looks at. He can close his eyes and his ears any time he wishes, and the cry of the poor and the sight of the hungry either make a man close his eyes or ears or get in and do something; but how to get them involved, I do not know.

The Chairman: To me, it is a rather surprising statement from the Salvation Army. If anyone, in my view—and this is my own experience—was able to reach the poor and made it their task, it was the Salvation Army. When you say that you are having some difficulty and perhaps are being looked upon as part of the Establishment rather than what you originally set out to do, it surprises me.

Col. Ross: I do not think we could ever be looked upon as part of the Establishment, really. I think that we are unorthodox enough that the Establishment would disown us. Even if we desired association, I do not think the Establishment would own us.

Col. Smith: Mr. Chairman, I think what Colonel Ross has in mind is that we are not yet, to a large extent, getting the members of our own movement, you see, but it does not mean that we are not in contact with . . .

Senator Cook: No, my point is that a large part of the cure is concern, or call it what you will. From my observation in Newfoundland the Salvation Army is always in the forefront of not just dishing out things but in trying to become a friend of the people who are in need, of making them realize they are human beings and restoring their dignity. I am just asking: In this affluent age has that duty any appeal?

Col. Ross: Yes, I would say it has, senator. If it is difficult for us to talk without appearing to push our own concern, but I will say that I do not think the Salvation Army—and I talk now from the centre and as one who knows—is in any way behind in befriending the friendless and in drawing them into the fellowship.

Senator Cook: That is not the point. I am sure that the Salvation Army is doing all of those things. I am asking: Do you find more and more people interested, if you like, in becoming active members of the Salvation Army and in becoming involved?

Col. Ross: We are growing, sir, in membership, but I must admit that we do not see people rushing up and demanding to be enrolled.

Senator Carter: Could the Salvation Army mount a crusade against poverty? You see, when you send out your people during Christmas week, and the pot is there, and someone comes along and puts in \$1, \$5, or \$10, it seems to me that you are somehow defeating your own ends, because that person after putting in

his money has now a clear conscience, because you are going to take over the work. Do you see?

Col. Ross: Yes.

Senator Cook: Suppose you were given a very large annual sum of money. Do you have the personnel to administer and carry out the work?

Col. Ross: Yes, I would say so, without any question. We have trained personnel, yes, sir.

Senator McGrand: When I read your brief I noted down certain things I wanted to discuss with you, but there has been so much said in the last half hour or so that I think most of my questions have been answered. You talk about the challenge of war, and how everything is organized to meet it. How successful has moral rearmament been. Moral Rearmament has been going on in the world for a number of years, but it does not seem to have gathered much strength, which is what you have to have if you are going to fight a war on poverty. It has to be done by moral rearmament, but the thing called moral rearmament has not been too successful.

Senator Croll mentioned something about the conscience of the nation. I think he should have referred to the conscience of the city, where there are slums, poor housing, poor garbage collection, and few playgrounds. The slums are usually situated on the lowest land in the city where the heat is most intense, and ventilation the worst.

Col. Ross: Yes.

Senator McGrand: In the summer the heat is terrible, and when the people there open the windows on a hot day all they get is noise from the traffic. The super highways are not built through the residential sections of the city; they are built over the slum areas. So, when you talk about the conscience of the nation it is difficult to understand what it is. The conscience of a nation today is concerned with more cars, more highways, the shortest distance between two places and the idea that we have an affluent society, which we have not. Everybody is trying to get more and more of this affluent society, which is a myth in the first place. I am now going to ask you some of the questions I have noted here.

On page 5 under the main heading of "Poverty and Crime" you say that instead of a man being placed in jail he should be given time in which to pay the fine. Now, such people are usually poor, and it is their

poverty that has got them into trouble in the first place. If a man is not able to support himself then what good does it do to give him time to pay the fine, except—and this is what you may have in mind—that the payment of the fine is to compensate for the damage he has done, and if a person pays his way then he is usually a better person than one who is trying to get something for nothing. The payment of a fine by means of a definite program of payments is in itself an exercise in rehabilitation, and it gives the man a chance to take a second look at his past, and also to look at his future. Is that what you have in mind when you say he should be given time to pay his fine?

Mr. Pedlar: The idea of giving him time to pay the fine arises from the fact that he does not have the money when he is in court.

The Chairman: There are three alternatives there.

Mr. Pedlar: Yes, we go on to suggest a warning, suspended sentence, and/or probation, and the emphasis there is on probation.

Senator McGrand: Do you see any particular merit in the idea that if a man pays some money back for the damage he has done then he is helping to rehabilitate himself?

Mr. Pedlar: Yes, and that comes out in Recommendation No. 6. If prisoners were given a little more pay when they could make restitution.

Senator McGrand: On page 7 you talk about the total needs of people, and there is an excellent paragraph at the bottom about the foster home and the amount of money that a family should have. Is it our experience that an adequate family allowance would be a deterrent to the breaking up of a home? There are people who feel that a child is better off in his natural home. Even though the home is very poor and has very little to offer it is better for the child than a foster home. It is my feeling that most of these foster homes give a child a clean face and hands and sufficient food, but there is very little of what you might call love and togetherness. Do you find that that true of foster homes?

Major Ellery: I think that that is a rather general statement. There are excellent foster homes which give the child a wonderful opportunity of getting back on the track. In my own personal work with children I deal with those who have not been successful in foster homes, so I do see the other side of it.

Senator McGrand: How bad would the natural home have to be before you would say the child should be taken away and put in a foster home?

Major Ellery: I think the child would have to be emotionally disturbed before it would be taken out and put somewhere else. What we are suggesting here is that perhaps it is not the money that must be paid to the mother, but that at the point of need there must be a more intensive counselling service so that the mother and the child can be helped to stay together.

Senator McGrand: That is what I mean. You are trying to keep the child in its own home?

Major Ellery: That is right.

Senator McGrand: On page 13 you say that the cause of poverty is the breakdown of the family. The breakdown of the family can occur, but it does not always mean the breakup of the family. The family relationship can still exist in a family that has broken down, and it can go on for years and years. I presume here you are referring to that lack of togetherness that gives a family strength?

Col. Ross: Yes.

Senator McGrand: Poverty of that sort in the home leads to poverty of the purse?

Major Ellery: That is right.

Senator Fergusson: I might say that I, together with the other members of the committee, appreciate your brief very much. While it is interesting it is not so very long as others we have received. A number of the questions I had anticipated asking have been covered.

However, I am interested in poverty in the aging, which is referred to on page 4. I had thought of asking first about the number of residences for senior citizens you have throughout Canada, and the qualifications for entry.

During the presentation of the brief reference was made to poverty in the aged pensioners' group. Would you elaborate on that please?

Brig. Monk: We are having a difficult time dealing with the individual whose pension has had to be administrated because of some form of addiction. On the other hand we have men living in a community

where they can get some form of poor housing, which is available in most cases only in the downtown area.

Quite often these men are intimidated by other addicted members of the community. By the time he arrives home after receiving his weekly pension, or two or three days later, it is all gone. He then has to go to missions or live through the welfare services of the Salvation Army.

In our opinion one-third of these people are in this condition. This estimate is arrived at by case history related to our work in four centres, including Montreal, Calgary and Toronto.

Possibly the DVA is the greatest victim here, but the man who is receiving a pension because he is sick or broken down in health and is aged 55 or close to 60 is in desperate circumstances. His pension is small and if he is intimidated at all because of living in the environment or district it is very awkward for him.

We feel that there should be housing for that man, not only for the aged, but those on pension who cannot to into housing units of the aged. There even married couples can get accommodation for \$55 per month, but this man is ineligible until he reaches the age of 60.

We are finding a great need amongst these people in Toronto. One-third of them are being victimized.

Senator Fergusson: Do you think special accommodation should be provided for these people?

Brig. Monk: That is right, in addition to the aged.

Senator Fergusson: Should it be provided by government?

Brig. Monk: I believe there should be agencies of government to provide for these people if they are going to administer their funds weekly. In the first place it is devastating to the morale of the man who has to go each week to receive a pittance.

The Chairman: Who administers their allowance?

Brig. Monk: The DVA.

The Chairman: Are you not referring to old age security, Senator Fergusson?

Senator Fergusson: No, their remarks referred to those on pensions, not old age security.

Brig. Monk: When they show that they cannot handle their allowance by the month it is broken down to the week and they must go to collect their weekly allowance. This has become quite a problem to those working in the field.

Senator Fergusson: Giving it by the week does not help, as it is gone before the end of each week.

Brig. Monk: It helps only in the sense that at the beginning of each week he has his allowance. If he received the full monthly allowance it would be gone during the month, leaving him with nothing for the remainder of the time.

There ought to be a place where men like this could be cared for and given allowances.

Senator Fergusson: Does this apply to people who have not got much else except the old age pension?

Brig. Monk: Yes. In many cases we find this situation with old age pensioners living in the same district. They have no accommodation because there is a waiting list of approximately a year or eighteen months for the housing units. They are exploited continuously.

The Chairman: The difference between the veteran and the old age security recipient is the age qualification.

Senator Quart: DVA pensioners have hospitalization, not preventive, which has been discussed many times because sometimes an ounce of prevention is worth a pound of cure. Should there be some place, maybe a small unit attached to a hospital, where veterans would be able to receive that kind of living accommodation and treatment?

Brig. Monk: I do not think veterans should be told where to go. Housing units should be available to accommodate them. There could be arrangements for meals but they would not have to live there. They can do that by choice, just as the old age pensioner who can almost go to a unit of his choice.

Senator Quart: Would there be a sufficient number of these people to warrant that type of arrangement?

Brig. Monk: Right in the City of Toronto alone the district with which I deal there would be 500 these people.

Senator Fergusson: In addition to the residences for senior citizens are there arrangements for others, for instance transient youth?

Senator Fergusson: They were not being used?

Col. Crolly: We have residences for senior citizens in 22 areas across the country. We have one or two places where there is a ceiling on the income. That is the person can earn and still come in. However, mostly it is based on the need of the individual. This is not necessarily financial need. When a person can no longer live alone without a family there is a need.

Senator Fergusson: Sometimes that is more serious than financial need.

Col. Crolly: Yes, they have the money, but they are eligible. One or two have been built under certain legislation which precludes them from taking this type of person. However, generally speaking we can. The one requirement usually is that the person must be ambulatory upon entry.

Senator Fergusson: Do you have residences or hostels for transient youth, for instance, or homeless people?

Col. Crolly: We have men's hostels right across the country, and we have three women's hostels.

Senator Fergusson: This is what I was interested in.

Col. Crolly: These are more or less for emergency cases. It can be a girl who has been in the police court, who has nowhere to go, so our officer is asked if we can take this person for the time being, and she is placed in one of our residences. We have only the one at the moment, but . . .

Senator Fergusson: Would you tell me where you have these?

Col. Crolly: Montreal, Toronto and Vancouver.

Senator Fergusson: The reason I am interested is because I know of the great need in Ottawa. I was locked the other day to find out that in 1887 we had that was called a home for friendless women to provide for just that kind of service, and now we do not have it in Ottawa. It seems to me we have gone back.

Col. Crolly: We had one or two more across the country at one time than we had today. They were phased down because they were not being used.

Col. Crolly: There did not seem to be the same need.

Senator Fergusson: I know right now through, for instance, my work for the Elizabeth Fry Society, that there is a need for this kind of thing in Ottawa. I would also like to ask about addiction, to which you refer in several places. You say on page 3 it is one of the causes of poverty. What proportion of poverty do you think is caused through addictions?

Col. Ross: Perhaps Colonel Ellwood would answer that.

Lieut. Col. Ellwood: We are working on the assumption now, through research on our case histories in our own institutions—this is just our own institutions, and we have statistics from other groups—that it does not matter what society a man comes from, whether he is a rich man, a middle class man, or what have you, the whole bracket of addiction, that 50 per cent of these people become poverty stricken.

Senator Fergusson: Even the ones who were affluent?

Lieut. Col. Ellwood: That is right.

Senator McGrand: I did not get that answer.

The Chairman: Fifty per cent of those at the affluent level become addicted.

Lieut. Col. Ellwood: I am talking about at all levels. They become poverty stricken. In fact, we are dealing with people who are lawyers and chartered accountants, who come to us without a penny, not able to pay even their keep in our institutions, who when they leave us can go into jobs commanding \$15,000, \$20,000 a year.

Senator Cook: What age would these men be?

Lieut. Col. Ellwood: The average age is 40.

Senator Fergusson: You say when they leave you. Do you mean you treat them?

Lieut. Col. Ellwood: That is right.

Senator Fergusson: Are you successful in this treatment?

Lieut. Col. Ellwood: For one-third of those who come to us.

Senator Fergusson: That is higher than I thought it was. Do you have a hospital for this treatment?

Lieut. Col. Ellwood: It is a clinic, yes.

Senator Fergusson: Do the people stay in?

Lieut. Col. Ellwood: They stay for six to seven weeks for treatment. On the farm it is from six months to a year. This is a man who has lost his association with his family, who has broken down, is unable to relate to society in any form. We classify him as in need of a whole build-up, mentally and physically, and of course the spiritual emphasis is there. It takes six months to a year, and we will not allow a man to go unless he is willing to submit to six months' care.

Senator Fergusson: Is this treatment for alcoholics only or for drug addicts as well?

Lieut. Col. Ellwood: Drug addicts as well. In fact, you do not separate the drug addicts and the alcoholics today in treatment. Even the Research Foundation are finding the same association.

Senator McGrand: How successful have you been in treating female drug addicts? That is a big problem. They can go to prison for six months, come out and they are back on the drugs. How successful have you been with the girls?

Col. Crolly: We have only one centre for female addicts, and that is in the City of Toronto. However, we have girls coming to it from great distances. A girl arrived the other day from Alberta. We are not as successful as we would like to be, but we still have something over 30 per cent success.

Senator McGrand: You do far better for them than they do putting them in prison.

Senator Quart: I just wanted to pick up some loose ends. First of all I want to congratulate you on your brief, particularly in view of the fact that as bilingualism is quite the thing today in Canada, as it should be in other countries where necessary, you have provided a French translation. You mention your senior citizens' home in Montreal. Where is it located in Montreal?

Col. Crolly: It is in the west end of the city. It is not N.D.G., but just a little beyond.

Senator Fergusson: It is around Montreal West, because I have visited there.

Col. Crolly: Montreal West, yes.

Senator Quart: You said that the applicants must be ambulatory?

Col. Crolly: That is right.

Senator Quart: Have you an infirmary attached?

Col. Crolly: In Montreal, yes, we have. It is quite a new infirmary, added within the past year, with accommodation for 40.

Senator Quart: In the infirmary?

Col. Crolly: Yes.

Senator Quart: If minor surgery is needed, do you take the person back?

Col. Crolly: The person would be re-admitted to hospital if he had been a patient there.

Senator Carter: When you give assistance to families, do you have any scale?

Lieut. Col. Ellwood: You are thinking of assistance for food?

Senator Carter: Yes.

Lieut. Col. Ellwood: Yes, we do have a scale, according to the size of the family, for food. It runs from \$6 to \$15, because it is temporary emergency help. At Christmas time it is larger than that, and we do not have any maximum; it is so much for an adult and so much for a child; there is no maximum, so a large family would get quite a large order. Of course, we not only assist them with food, but also assist them with clothing and furniture.

Senator Carter: Do you have any overall maximum scale of assistance where you break it down into so much for food, so much for clothing and so on?

Lieut. Col. Ellwood: It varies. Sometimes people come to us and all they want is food. Sometimes they may want food and clothing.

Senator Carter: I would like to know how your scale would compare with the provincial scale, or are they comparable?

Lieut. Col. Ellwood: I really could not say. We have a scale for food. If they come for clothing, and it could be a variety of clothing, or shoes. If they come for furniture, it might be for a bed, or table and chairs.

Senator Carter: Let us take food. What would, say a family of four need for a week?

Lieut. Col. Ellwood: We would not undertake to supply it for a week. It is just emergency help for a day or two. Sometimes they are applying for welfare and it will take a few days to process the municipal welfare. Or perhaps they are on welfare, it is a few days before the welfare cheque arrives and they are in difficulties, so we give them a small food voucher to tide them over for a day or two.

Senator Carter: Major Ellery, I gather you are a social worker and have been to many poor families. Has it been your experience that in this group of families you find the attitudes and expectations quite different from those in more affluent groups?

Major Ellery: Generally I think they are a pretty depressed group of people. I feel that only if we can provide them with incentive counselling, that is dropping into homes four and five times a week, can we motivate and stimulate these people to get on their feet.

Senator Carter: We have had some evidence before regarding these particular groups who are below the poverty level, and usually the homes are broken anyway. A young couple getting married would not expect their marriage to last either.

Major Ellery: It has become a way of life.

Senator Carter: And the same is true of the children.

The Chairman: Let us stop at the moment. You said something that was very important. When Senator Carter spoke he was relating to what we have heard, that a great number of the poor people do not expect their marriages to last. You agreed. Would you please elaborate?

Major Ellery: It has become a pattern of life and a problem of identification with that kind of family.

What I presented as a solution would be intensive counselling in the homes.

Senator Carter: And the same would apply to children. They would not expect to get off welfare. Their expectations are not that they will grow up and contribute to society.

Major Ellery: The parents have set the pattern. I think we all look to our parents as an example, as they do, and it is possible to change that pattern.

Senator Carter: That is the problem.

Major Ellery: Yes, but you do not do it by sending a cheque through the mail once a month.

Senator Carter: These children are handicapped psychologically because of their environment.

Major Ellery: That is correct.

Senator Carter: I just wanted to confirm that it is a problem to bring some moral influences to bear on the children of these very, very poor families. Sunday schools are usually out. Very often they are not dressed to go to Sunday school, and the parents are not interested in it. How does the Salvation Army cope with that type of situation? Have you been able to do anything about it?

Major Ellery: Yes, we have been able to do something about it. First of all I think you have to establish some kind of a relationship with the family and the children so that they will trust you and be interested in what you are talking about. You have to really meet need at the point of need. When this is done you can go on to share other aspects with them.

As far as clothing is concerned it does not really matter what a child wears to Sunday school. We have brought children in through our guide companies and the life-saving units of the "Church". It is good for the Church and this is one way for providing a bridge between the affluent and the poor. If you bring these people into the Church and let them feel and see the poor ones, they are going to do something about it. Our experience has been that some of the moneyed people of the Church have been able to see the need and ask what they can do to meet it. This has resulted in furniture, clothing, et cetera, coming in.

Senator Carter: How much of this have you been able to do? Is this what you talk about occurring in only a few centres or is it currently widespread?

Major Ellery: It is spreading. Even in our ladies' auxiliaries we have contacted people who are really tired of going to meetings and they want to get involved in service.

Senator Carter: Isn't this part of the answer that we were groping for earlier?

Major Ellery: That is right, to get people involved. They have to see and feel the need before they are prepared to get involved.

Senator Carter: How do you start this sort of thing?

Major Ellery: You talk and simply tell the story of people you know who are really in need to people who have the ability to meet the problem financially. They will then get involved in relationships as well.

Senator Fergusson: You said that in treating addicts you thought you had about 30 per cent success.

Col. Crolley: The last check was 28 at one stage and then 30. We are, however, not optimistic that we will be going any higher.

Senator Fergusson: I think that is wonderful. One of the senators said that the addicts are being treated better than in prisons, and you agreed. I am very interested in the Matsqui Prison in British Columbia which was set up for drug addicts in 1966. I wonder if you would know whether they have had success, but perhaps there has not been sufficient time to know.

Col. Crolley: I am afraid I do not know and have not heard from British Columbia regarding that.

Senator Fergusson: Thank you very much.

Senator Pearson: I would like to refer back to the drug addict, because it is quite a present-day phenomenon. I am just wondering whether you find the young drug addicts more in the affluent society or among the poverty-stricken youth.

Brig. Monk: It is very definitely found among the affluent society because they are able to afford the habit, whereas the child from a society which has not had good earnings is unable to keep up with it. The men that come to us, even though they have been long-term drinkers, are above the average education of the nation. Their means of livelihood has been above average and they are men of good standing and position.

Senator Pearson: I was personally interested in the youth and this question of drug addiction amongst them. Are you able to contact and talk with these people or do they leave you cold all the time?

Brig. Monk: In Toronto there is now a program both with the government and the Ontario Hospital. They are doing a very fine job of reaching these young people, at least getting them there. As far as the Army is concerned, we have no program for the young people as yet. We have young people of 18 coming to us, and we refer them to these centres. You cannot have the adult population with the young because it does not work. At the moment, we do not have a set-up for the young people. We deal mostly with the adult population.

Col. Ross: Major Ellery can speak to this.

Major Ellery: I think Brigadier Monk is saying that we do not have a residential set-up for these people. In London we do have a drop-in centre for teenagers, and we have been operating it on Friday evenings. We have had tremendous opportunity to talk with them, not only on Friday nights but throughout the week. They are coming more and more to talk to us. A number of them have given up drugs—not heroin—but LSD.

We will be opening a drop-in centre for 5 full days a week throughout the summer months.

Senator Pearson: Is that open all day long?

Major Ellery: During the summer from 2 until 5 in the afternoon, and 7 p.m. until 11 p.m. At the moment we are open from 8 o'clock until midnight.

Senator Pearson: Do you feel that these youngsters who come there—drug addicts—are benefiting or getting off drugs altogether?

Major Ellery: The purpose is to have a place for young people to go Friday evenings as an alternative to using drugs. We have a number of kids who come in and they are really hooked on drugs, but we have seen a number of them drop it. We do not focus on the drug, but a kid who is taking it.

Senator Pearson: Thank you.

Col. Ross: In Niagara Falls the Salvation Army Hall, which is a new one, has been turned over to young people who offer their own program all day and in the evening until 11 o'clock. I do not know of a better administered group operating in that building.

Mr. Pedlar: The same thing has happened in Metropolitan Toronto, and there are up to 400 people in Oakville.

Senator Pearson: For youths in total—not just drug addicts.

Mr. Pedlar: Not just drug addicts, but that is part of the youth problem, and we cannot avoid it.

The Chairman: What do you mean, that is part of the youth problem?

Mr. Pedlar: If you are going to bring in kids off the street, you are going to bring in the drug addicts and pushers and everyone else like that. The young people are just sort of aimless, wondering around.

Senator Pearson: I see you suggest that probation is better than putting them in prison. I think that is true.

Senator McGrand: Going back to the transient, I have always felt that probation working with the transient, the person who is going by and who wants a place to stay, I imagine that a lot of these are transients. Are these residents of the slums who take to the road, going from place to place, or are they residents or should be residents of the small communities who are on the move in search of work? Or are some of them just simply transients who become rather permanent transients in a certain area?

Col. Smith: There is quite a variety of cases. You do have transients who just move around, some of them are seeking work. For instance we find quite a move in the month of July in Ontario, where people are trying to get work in the tobacco fields. There are situations like that. Some of them move around. We also have a lot of single men. We think of the single man who comes along for help and we think of the transient. As far as I can see, it seems to me that there is a reduction in the number of transients and a lot of single men and unattached men who are seeking for help, they have a tendency more and more to settle in a centre, particularly in a big urban centre like Metropolitan Toronto. Sometimes they will get along to a certain degree with perhaps casual work, odd jobs, but it is not sufficient to keep them going, so they come to agencies like the Salvation Army for occasion accommodation for the night or for meals. I would say that, generally speaking, the transient and the unattached man who come seeking for help are people with poor education and with no skills. They are not usually from the better educated people.

Senator McGrand: Where do they originate? Are they small community people who originate in small communities or are they from the slums of Toronto who move into the slums of Edmonton, Vancouver and so on.

Col. Smith: They seem to come from all areas. It is quite a mixture. You find them coming from the large cities but some also come from small communities. In some cases there is a sort of spirit of wanderlust and they just want to keep moving around. For instance at our centre in Toronto sometimes I get a man who wants a bed for a night or two and some meals and then possibly we may not see the man again for six months or sometimes for a year and it seems that he has just been wandering around and seeing what will turn up. But we have other men who seem to be more or less settled in Toronto.

Senator McGrand: Tell me this. The transient that goes from place to place, that you just referred to—some originate from the slums of one city and go to the slums of another city, and so on. Do you find many violators of the law? Are there many people in that group who become bank robbers or holdup people? I have the impression that there is very few among that group.

Col. Smith: Yes, that is so. I would not say that they are law breakers. We get a number of men who have alcoholic problems and we get a number of men who quite frequently go to the Don Jail in Toronto or go to the Mimico reformatory and it is quite a problem to help them. Of course, Brigadier Monk has a centre there to help with alcoholic problems. I also might say that in Toronto we have a rehabilitation centre for men who are in difficulty and who need assistance and who can go there and get assistance to re-establish them but it is very difficult to do very much with them unless they have a desire for it. If a man has an alcoholic problem, it is not possible to send him for help unless he wants to go and is interested in being helped. Again, we have men in difficult circumstances who have an alcoholic problem or whom we feel they could be helped by a rehabilitation centre and we suggest that to them and urge them to go there and say that we can get them out of this groove and lift them on to a higher plateau of living, but we get a number of cases where they are not interested in doing that.

Senator McGrand: Pardon me, this is not just my question. You read in the newspapers about a robbery of a bank or a holdup, of people entering someone's

home and tying up a man and stealing his money, and that sort of thing. That is a big part of crime today. When you see the names of those people who have been arrested—you do not find many of your old graduates there, do you?

Col. Smith: That is true.

Senator McGrand: That is not the type of person who goes to the Salvation Army for help? You do not come in contact with that type of people, yet they are all products of the slums.

Col. Smith: Well, I would not say they are all products of the slums.

Senator McGrand: For example, these people who are in trouble, for example those people who shot the two men out here beyond Ottawa two years or a year and a half ago, those fellows are all from the slums, from the poor areas of some particular city and these are the people who are committing the crimes of violence. But they come from the poor parts of the poor cities, from the slums, they are slum bred and slum trained people. But you do not run across that type of people very often, do you?

Col. Smith: No, we do not.

Senator Cook: On page 3 of your brief, under "Causes of Poverty", in section 1, you say:

It is not true that most poor people are lazy, and would rather live on welfare than get work. The working poor comprise some 65 to 75 per cent of the poverty problem in Canada. Many of the working poor would be better off financially on Welfare, but they prefer working.

On page 8, under the heading "The Working Poor", in paragraph 3, you say:

One of the tragedies of our society is that often the bread-winner of the families we are considering finds it necessary to cease work in order that his family might be provided for. In short, welfare payments come to more than his wages. This of course means a loss of self respect and independence, and the family accepting such a situation suffers immeasurable harm.

This has been told to us over and over again, and we agree. What is your solution for that?

Col. Ross: Mr. Pedlar may deal with that.

Mr. Pedlar: I believe that the solution we have is tied in with the negative income tax, the raising of the minimum wage, which would be a provincial matter.

Senator Cook: What about supplementing the income, allowing the working poor to keep a certain portion of their earnings before they have to forfeit it? Have you given any thought to that?

Mr. Pedlar: I believe we agree with that, too. The problem is that we wanted to provide some incentive to maintain the job and this is why we decided on the negative income tax rather than on the guaranteed minimum wage.

The Chairman: I think in effect what Mr. Pedlar is saying is that we want him to continue working under all circumstances, and that we make up the difference at the national level by a form of minimum maintenance. That is the substance of what he is saying rather than haphazardly helping A or B or C or D, so that it is an incentive to continue to work. This is something that is troubling most Canadians today. I was going to follow from what you said with another question. Any member of your delegation can answer this question or, for that matter, all of you can answer it. What is your view of the work ethic? We have had other churchmen come to us and discuss it and we have asked them questions about it.

Brig. Monk: Are you thinking in terms of people receiving an income from the Government while being allowed to work so that they can receive maximum benefit?

The Chairman: No. This is a matter which is troubling all of us and I imagine it comes from our spiritual background—that man shall toil, and we are having a hard time moving away from that concept. There are many people who see a society, whether it be tomorrow or next week or next month or next year where in the light of our present technology and what is going on in the world, there will be something like a maintenance income, whether a man works or does not work or whether a man is worthy or unworthy. In the light of that, we have to do some thinking. Now Mr. Pedlar, and indeed the rest of you at one time or another have used the term "incentive" each time you have talked about a maintenance income. So we can see what is bothering you, but it is bothering us too and in fact it is bothering everybody. What is your attitude towards the work ethic? One spiritual group here used the expression, that work was originally a punishment, and that it was in that concept that work

was imposed upon man. I would like to know what your thoughts are on that matter.

Brig. Monk: In our own experience we have found that wherever a man expects to make any successful comeback or rehabilitation, part of this has been a work program. We have found this to be very successful, even if it involved only an hour a day at the beginning of his rehabilitation. We have found this to be very helpful. But in the overall rehabilitation program, we would think it very inadequate if we did not provide that man with some honest-to-goodness work whereby he can earn a living. Along with that goes the fact that if a man cannot earn enough to live, we have another problem. For instance, we had a man who had a family of nine in our clinic—and we are just using this one illustration which could work out the same way in a number of cases. This man was working for \$75 a week whereas he needed \$160 or \$180 a week. That man should be subsidized.

The Chairman: But, Brigadier Monk, let us take the case of a man who is without a job and the Government for some reason or other is unable to provide employment and private industry is unable to provide employment. Where are we then?

Col. Smith: Mr. Chairman, personally I think there is value in work. I know there has been criticism of what is called the puritan ethic of work. We have a Canadian journalist who in a well-known book has scoffed at what he termed "the puritan ethic of work" and yet I suspect that he is himself a tremendous worker.

The Chairman: Is this Marshall McLuhan?

Col. Smith: No, Pierre Berton. In "The Smug Minority" he scoffs at the puritan ethic of work and yet, as I say, I think that he himself must be a tremendous worker. I have the view myself that very little that is worthwhile can be accomplished without work. I think it is good for the individual and I think it is good for the person. I think also it is quite true that we are moving more and more into an automotive society where there will not be the same reasons for working, and therefore in my view one of the major problems we are going to have to face is the fact that people will have a tremendous amount of spare time and a tremendous amount of leisure and we do not know how that will be occupied. As you know, the devil finds mischief for idle hands to do. I am personally convinced there is a tremendous therapeutic value in the discipline of work.

Col. Ross: Mr. Chairman, it is not very difficult and it has never been very difficult for me to find therapeutic value in good hard work—for the other fellow.

The Chairman: How well you put it. It rather reminds me of the people who are walking around the country today shouting about the way to solve our problems being to put on controls. During the war, people loved to have controls for you, but I did not like to have them for themselves. But you are a very practical group. I have known the work of Brigadier Monk for as long as I have known the Honourable Walter Dinsdale who worked in Toronto and used to come around the courts to assist in whatever way he could. I have seen how well he has risen in the esteem of the Canadian people.

I will give you your chance in a few minutes, Walter.

But we are now at the point where everybody agrees that technology may do away with a great number of jobs and there just will not be work available for people. There isn't too much work available for people right now. So what do we do for these people? I am not just talking about putting food on their tables. I am talking about something that is much more vital. How do we make them feel that they are somebody in the community?

Mr. Pedlar: I think the closest we come to answering that and the other problem is when we deal with how to motivate people. I think a number of times in our brief we suggest decentralization of agencies as much as possible and have community groups of volunteers with Government help. We feel this is the only way. Then the only way to get these volunteers, perhaps, is to run a real campaign to try to get them. But we need to have this personal contact, and the only way to get that is to decentralize everything and get neighbour lead groups involved.

The Chairman: We just happen to be fortunate enough to have in the room with us today the Honourable Walter Dinsdale who has been in this movement for forty or fifty years. What is your view on the work ethic as such? You appreciate it and you understand it. Perhaps you can enlighten us.

Honourable Walter Dinsdale: Senator Croll, I appreciate the opportunity of participating. I came in here as a visitor from the other place and I thank the members of the Senate Committee for allowing a commoner to take part in the discussions here this morning. Even though I am neglecting my responsibilities in the Commons committees, I wanted to come

in and at least listen in on the discussion this morning. However, if I may be allowed to express an opinion on this fundamental point of the validity of the so-called work ethic in our technologically affluent society where the experts tell us that the need to make our living by the sweat of our brow is rapidly disappearing, I think this constitutes one of the great and fundamental value problems of our mid-twentieth century.

It is obvious that with automation, to use that awful word cybernation, computerization, and so forth, the demand for manual work is declining. Work hours are decreasing; leisure time is increasing proportionately; and because so many of the values of our society are related to this work ethic that has been an integral part of the Puritan ethic for several hundred years now, it places us in a quandary. You are asking this Salvation Army group this morning to resolve that quandary.

My reply would simply be this. You cannot resolve a fundamental change in values of this kind in one fell swoop. It has to be a process of gradual adjustment, if there is going to be any continuing social stability. I think we are adjusting to the changing demands of our technological society; that we are gradually adopting programs that will provide for the creative use of an increasing leisure time. I think that all political parties—and it is political parties which provide the motive power to social programs and social progress, in the long run—are gradually and cautiously moving towards the idea that the basic philosophy of social welfare-ism, which I think has been peculiar to all western countries, at least, will have to change. That is, the notion of the welfare state will have to give way to the more positive notion that instead of a “cradle-to-the-grave” surveillance of the social needs, even the broader needs of the individual by the state, in a multiplicity of welfare programs, there will have to be a rationalization that will be based on the fundamental change in the economics of society and that will be related to some sort of formulation that is called, among other things, guaranteed income. I say that, because all our social welfare programs based on the old idea of the welfare state have, as their fundamental purpose, guaranteeing an income, whether it is old age pensions or disabled pensions. Whether it be operated at the federal, provincial or municipal level, it is all geared to that one purpose of income maintenance.

I would think that an organization like the Salvation Army or other voluntary groups, which carry out a program that is based upon strong spiritual motivation tied to the Judaeo-Christian values and traditions, would have a very important role to play under this

new co-ordinated or rationalized incomes program, because as I read the brief presented by the Salvation Army this morning I think what they are trying to emphasize is that man does not live by bread alone, that man does not live by cash income alone, but that there are other areas of impoverishment which embrace the total man. I do not think the state can do this. It has to be done by voluntary organizations which arise spontaneously to meet changes. The Salvation Army emerged out of the Industrial Revolution. We are going through a revolution today which is even more dramatic and traumatic than the Industrial Revolution.

The Chairman: Mr. Dinsdale, with the amount of poverty we have in the world today, real poverty, why are the people not aroused? Why have we not reached them at the conscience level? The affluent people, the people who have the wherewithal, why are they not concerned. Why is it so hard for us to involve them and to get across to them?

Hon. Mr. Dinsdale: If you are speaking of the extreme areas of poverty, I think there is rising concern today. When I speak of “extreme areas of poverty,” I am talking about people living in a slums, in the ethnic ghettos, on Indian reservations. I think there is a growing concern on the part of the more affluent segment of the population, and particularly of the younger people. You referred to the fact that I got involved in this back in “the dirty thirties,” when I was a young, pink-cheeked, beardless youth. . .

The Chairman: We were both young then.

Hon. Mr. Dinsdale: . . . from the Prairies, in the police courts in Montreal and Toronto. That was a challenge to my generation, and many young people responded. Many of them worked through the organized church in those days, and I think we are getting the same response now from a new generation of concerned young people, or even a generation that is referred to as an activist generation. I think, for example, the fact that senators are investigating poverty is an indication. . .

The Chairman: Not the young generation.

Hon. Mr. Dinsdale: I know, but this is the other end of the age spectrum.

Senator Cook: Vital, but not young.

Hon. Mr. Dinsdale: The fact that it is being investigated by a Senate committee is an indication of the concern.

The Chairman: Yes, but I can call a meeting on pollution and have the grounds around this building filled with 400,000, 500,000 or 600,000 people. If you call a meeting on poverty, you speak to yourself.

Senator Cook: One is new and the other is old.

Col. Ross: One touches them personally, and the other does not.

The Chairman: What is that?

Col. Ross: Pollution touches them personally; poverty does not.

The Chairman: Poverty does not?

Col. Ross: It does not seem to. They have their purse and their pocket full, and it does not touch their personal life.

Senator McGrand: It has taken 25 years to recognize pollution.

Hon. Mr. Dinsdale: On the question of pollution, we had a "Resources for Tomorrow" conference in 1961, of which I happened to be chairman. It was regarded as an exercise in futility because it was dealing with such a colourless subject as water resources.

The Chairman: That is 10 years ago.

Hon. Mr. Dinsdale: In 1961. The whole emphasis has changed, until today this has become one of the "in" things, but it has been at a critical stage for at least 15 years.

The Chairman: I agree with what you say, but poverty has been here for a long time too and it has not improved in our country. Nothing really has changed. Since 1966 there has been a 1 per cent drop in the number of people in poverty, and it has not changed much since 1966.

Hon. Mr. Dinsdale: But as I read the brief, senator, I think they pointed out that the whole category of poverty is a relative term. If we compare the poverty levels in Canada with poverty levels in the underdeveloped countries, such as India and some of the newly emerging nations of Africa, we see that what we

describe as poverty is affluence to those people. Anybody who has travelled in underdeveloped countries will bear this point out, and I think this is being appreciated to a greater extent, as witnessed by the preoccupation with external aid programs on the part of the wealthier nations.

The Salvation Army and other church organizations have established voluntary service groups which are sending young people into the underdeveloped areas where they can make a personal contribution to the alleviation of a far greater problem of personal and spiritual impoverishment.

The measurement of poverty is very difficult. Much of our poverty in Canada is related to the revolution of rising expectations. We want more and more for less and less.

The Chairman: Yes.

Hon. Mr. Dinsdale: Actually, that is a psychological thing. You can have a level of expectation rise to such an extent that people will feel personally impoverished or alienated when they are actually not too badly off in terms of material things. On the other hand, people can feel personally, spiritually and psychologically fulfilled when they are in relatively dire circumstances materially. I come from a rural constituency in southwest Manitoba, and I know some of the elderly pioneer folk who have lived very satisfactory lives personally, who have contributed to their communities, and who have raised families who have achieved higher levels of attainment than they themselves have, and when they hear about the problem of poverty and the criteria that go with our description of poverty, such as lack of internal plumbing facilities and utilities that we take as commonplace today, they say: "Well, we have been living in poverty all of our lives, and did not realize it."

The Chairman: Have any of the committee members anything that they would like to ask the Honourable Walter Dinsdale? He has devoted many years of his life to this particular work.

Senator McGrand: I do not believe that we have the affluent society that we boast we have. This is part of the great American dream which embraces having the whole continent at our finger tips to explore and exploit. This has become part of the Canadian way of life. I do not think we have the affluence we think we have.

Senator Cook: Mr. Chairman, I agree with Mr. Dinsdale. Living in Newfoundland, and having lived in Newfoundland during the thirties—this applies also to many other parts of Canada, but it applies dramatically to Newfoundland—I can see where great progress has been made. There are more schools, more hospitals, more services, old age pensions where there were none before, family allowances, and many other things. There is still a great deal to be done, but there is a huge difference between what was the level of poverty in the old days and the level of poverty today.

The Chairman: That is a perfectly true observation, and it is particularly true of Newfoundland.

Senator Cook: I think it applies to many other rural parts of Canada.

The Chairman: There is no question of that, but as expectations rise then other expectations rise, and that has been the difficulty.

Senator Cook: I agree, but I do not think we should be too pessimistic. Progress has been made.

The Chairman: I should like to ask you, Major Ellery, to tell us something about the problem of the single parent. What is the extent of the problem as you see it in Ontario, and how big a problem is it? This is something we are concerned about and something we must put our minds to.

Major Ellery: The problem of housing has been the most difficult. It is a real problem to the single parent who exists on welfare and mother's allowance.

The Chairman: Let us talk about the single parent. I do not care whether she is divorced or is a widow. She is a single parent with some children.

Major Ellery: Yes.

The Chairman: At one time she was a stenographer, perhaps, and she has the capacity to work.

Major Ellery: Yes.

The Chairman: What do you do about her?

Major Ellery: I think the day nursery is one of the solutions.

The Chairman: Does she always want to go to work, or would she rather stay home and receive an allowance? What is her choice, as you see it?

Major Ellery: I would like to believe that she has a choice.

The Chairman: Tell us what you think about this matter. What has been your experience?

Major Ellery: Many of them would like to have a choice, but they just do not have that choice. They cannot provide adequate care for their child if they are out of the home. Therefore, they become frustrated mothers, and frustrated mothers are not the best mothers. On the other hand, some would like to be out of the home for part of the day and be fulfilled as a person, and such persons are more adequate mothers for their children during the hours they spend together.

The Chairman: What have you in the way of day care centres in, say, London?

Major Ellery: We have several.

The Chairman: Are these community day care centres, or are they run by voluntary organizations?

Major Ellery: They are both, but they are mostly voluntary.

The Chairman: And you have some?

Major Ellery: Yes, we have.

The Chairman: In whose field is the single parent head of family in Toronto?

Mr. Pedlar: Colonel Crolley's.

The Chairman: Your field is the whole of Canada, is it not?

Col. Crolley: Yes. As far as the Salvation Army is concerned in Toronto . . .

The Chairman: Forget about Toronto for the moment. Let us deal with the rest of Canada.

Col. Crolley: We have very little in the way of day care centres, taking Canada as a whole. We have just come into that area.

The Chairman: I know that, but I am talking about the single woman head of family. What is your experience with her across Canada? For instance, Major Ellery has told us about her frustration. She

wants to go to work, but she cannot because she has a family to look after. We have heard that from many other people. What can she earn? Can she earn as much as she is able to receive if she is on an allowance? What are you finding in this respect across Canada?

Col. Crolley: I think the statement that Major Ellery has made with respect to the London situation applies across the country. She has worked in Vancouver, and what she has said is true of the Salvation Army right across Canada. We find the same thing across the country. We find that there are people who like to feel they have a choice in respect of whether they stay at home and support the child on mother's allowance or welfare, or go to work and maintain a much better home as a result.

Major Ellery: Perhaps we should also point out that a large number of disturbed children come out of the families with a single parent.

The Chairman: The number is greater than that of those who come out of normal homes?

Major Ellery: Yes.

Senator Cook: On page 8 you say:

One of the tragedies of our society is that often the bread-winner of the families we are considering finds it necessary to cease work in order that his family might be provided for. In short, welfare payments come to more than his wages. This of course means a loss of self respect and independence, and the family accepting such a situation suffers immeasurable harm.

We have found that a number of single mothers find it more advantageous to go on welfare because of all the medical services and so on that are provided. In the overall they are better off on welfare than they are while they are working. We are thinking that there should be some system whereby they should be encouraged to work but at the same time be able to receive some of the benefits from welfare. In other words, the welfare regulations are too rigid.

Major Ellery: But the municipalities will subsidize the day nurseries, and this makes it possible for the mother to work and to keep her income up.

The Chairman: You see, under the Canada Assistance Act the province shares the cost on a fifty-fifty basis. The province makes some arrangement with the municipality, or some private group within the municipality.

Senator Cook: But the mother loses her medical and dental assistance if she works.

The Chairman: Exactly, some of those single women who are working find that they earn just about what they might receive if they were on welfare. They find that they just cannot carry the medical, dental, and drug expenses. The result is that after we had our meeting with the Province of Ontario they changed their policy with respect to this and are providing it.

Major Ellery: Benefits such as medical insurance would be gained through employment.

The Chairman: Provided her employment included it, yes, but she would be paying for it, whereas on the other hand she would not.

Deductions are considerable by the time hospitalization, unemployment insurance and pension plan are taken into account.

Is there anything more, Colonel, that you or any of the group would like to say?

Col. Ross: I do not think so, except to express our sincere thanks for the courtesy of our reception.

The Chairman: I wish to tell you that this is a good brief. You said that Pedlar had done most or a great portion of it, but there is enough credit for all.

It is well expressed by Commissioner Wiseman in the words:

... we firmly believe that our affluent nation has the resources of wealth and intelligence to find an answer to the problem, providing we have the will to do so!

Col. Ross: Yes sir.

The Chairman: We questioned you particularly on that aspect.

We must also thank you for being one of the very few who took us seriously enough to follow our suggestion to provide a bilingual brief. It stands to the credit of the Salvation Army.

Col. Ross: We thought it was compulsory, sir.

The Chairman: We are delighted that you did it. On behalf of the committee I thank you.

The committee adjourned.

APPENDIX "A"

THE SALVATION ARMY

CANADA

Presented by

THE SALVATION ARMY COMMISSION
ON
MORAL AND SOCIAL STANDARDS AND ISSUES

Under Authority of
Commissioner Clarence D. Wiseman

June 1970

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SUMMARY

FOREWORD

by

Commissioner Clarence D. Wiseman

William Booth, Founder of The Salvation Army, was dubbed a 'dreamer' by many of his contemporaries, but his vision and purpose brought into existence some of the major social reforms of our time. Not a few modern social services owe their origin to his courageous attack on poverty, evil, and injustice wherever he found them.

Booth's famous book, "In darkest England and the Way Out", published in 1890 was an exposé of the abject poverty that afflicted many of the industrial areas of Great Britain in that day. Practical measures to combat poverty were outlined in this book. Amongst them was a migration scheme under which The Salvation Army transported and settled literally hundreds of thousands of people in the open spaces of Canada, Australia and New Zealand.

The Salvation Army's unceasing concern for the poor rests on spiritual principles rooted in the Judean-Christian tradition, and supremely expressed in the teachings of the Bible.

William Booth established guidelines for Salvationists in their battle against evil and poverty that reveal profound wisdom and deep insight. For ex-

ample, he stated that "any remedy worthy of consideration must be on a scale commensurate with the evil with which it proposes to deal. It is no use trying to bail out the ocean with a pint pot." He added "not only must the scheme be large enough, but it must not be merely a spasmodic effort . . . it must be established on a durable footing . . ."

Booth insisted on respect for the integrity of the person. "The indirect features of the scheme must not be such as to produce injury to the persons whom we seek to benefit". He also stated that "while assisting one class of the community it must not seriously interfere with the interests of another".

Canadian Salvationists welcome the Senate enquiry into poverty, and we firmly believe that our affluent nation has the resources of wealth and intelligence to find an answer to the problem, providing we have the will to do so!

We pledge ourselves to cooperate in any practical and creative measures compatible with our spiritual principles that might be adopted, and sincerely trust that something positive shall emerge quickly from the present enquiry.

WHAT IS POVERTY?

There has never been a society in any period of human history that has avoided the curse of poverty. The degree of poverty has waxed and waned with the rise and fall of nations and 'civilizations', but always there have been those described by the words of the poet where "...cruel penury has chilled the genial current of the soul."

The Salvation Army, as a religious and social movement, came into being in response to the challenge of a new wave of mass poverty rising in the wake of the Industrial Revolution.

"Darkest England" was a phrase used to describe the submerged tenth making up the human flotsam and jetsam of the booming industrial cities. It was much the same group that Marx described as the proletariat; downtrodden, inarticulate, powerless, impoverished. Using this unlikely material our Founder organized the first war on poverty in modern times by recruiting them into a Salvation Army.

The problem of poverty persists into the affluent and technocratic 20th century. In underdeveloped lands we hear of the millions in dire need below the subsistence level, and in the affluent West we have become so concerned that governments have launched massive new wars on poverty. Meantime, as the Negro Spiritual puts it simply and effectively, "the rich get richer and the poor get poorer".

Obviously, poverty today is a relative term. It goes far beyond the usual economic and financial criteria. How can we compare the poverty level in some countries where thousands of our fellow humans are on the verge of starvation, with the standards of living at all levels in the wealthier nations? Elaborate welfare programs, transfer payments, health and education programs are gradually placing citizens of the favoured nations above the level of physical and material need. Yet the pall of poverty hangs over a favored nation like Canada to such an extent as to persuade you distinguished Senators to carry out this commendable investigation in depth.

Perhaps what we are really investigating is the feeling of impoverishment brought about by the revolution of "rising expectations" marked by the popular pursuit engaged in by so many of us today "more and more for less and less". It is true we have pockets of poverty, slums, ethnic ghettos, and poverty pock marks and pollution marring the Canadian social landscape everywhere. The irony and tragedy is that we have the know-how and technical skills to eliminate this social blight if only we had the will and social

conscience to provide the motivation. This is where the Church with its emphasis on spiritual dimensions comes into the picture.

Above all else poverty concerns man: the whole man, body, mind and spirit, all of which must be served if he is to live the "life more abundant". Surely it is clear today that the 'good life' does not consist in the abundance of goods we possess. We see our fine young people dropping out from affluent homes because of the atmosphere of moral and spiritual impoverishment. We see aged parents, minority groups, the physically and mentally handicapped neglected, deprived of human dignity, human opportunity, human freedom for the same reason.

It will require more than government action to break through these social, psychological and spiritual barriers. What is needed is a partnership of individuals and voluntary groups committed and dedicated to serving man. In the early, less sophisticated days, The Salvation Army endeavoured to encompass the whole man with the simple slogan, "soup, soap, salvation". It realized that people suffering from impoverishment could only break out into a more abundant life as they personally became involved in finding solutions. Hence, the battle cry of that early and continuing war on poverty; 'Saved to Serve'—for "Man's extremity is God's opportunity."—and God works through His people.

CAUSES OF POVERTY

It is not true that most poor people are lazy, and would rather live on welfare than get work. The working poor comprise from 65 to 75 per cent of the poverty problem in Canada. Many of the working poor would be better off financially on Welfare, but they prefer working. The ECONOMIC COUNCIL OF CANADA, in its 6th Annual Review, Chapter 7, says as much, adding, "On the basis of careful investigations, it would appear that most of the poor are ready to seize appropriate jobs when these are available. Furthermore, some recent research suggests that the aspirations of the poor for economic opportunities and a middle class style of life may be very strong, and the desire to participate in a productive way in our society is more often frustrated than lacking." Poverty, in many cases, is the consequence of forces beyond the individual's control.

Insufficient Income—While money is not the complete answer to the problem of poverty, it is obvious that many are poor because they do not have sufficient income. Others with insufficient income include those living on Welfare, Family Benefits and

Old Age Security pensions. The problem is more acute when people with small incomes have large families. The high cost of living, especially the cost of housing, makes it almost impossible for people with low incomes to maintain even a reasonable standard of living.

Poor Education and Lack of Skills—Many in this automated technological age, simply cannot fit in because of poor education and lack of skills. Some are incapable of absorbing further education or training, but this is not true of the majority. In some cases they left school early because they did not realize the value of education, or dropped out because of the necessity of helping to support the family. It may be their parents did not encourage them to continue at school.

Addictions—These vices drain away resources which should be used for essentials such as food, clothing, housing. This is becoming a growing problem due to aggressive promotion of the sale of liquor, and increasing permissiveness with respect to gambling and drugs.

Mismanagement—Many are inefficient at budgeting and managing their affairs.

Abuse of Credit Buying—Credit buying can be a boon to those who are able to plan and allocate funds through proper budgeting, but it is a serious pitfall to those with small incomes who are not competent. In many instances such people owe large amounts to finance companies and department stores. Advertising makes many things seem desirable and even necessary, and poor people yield to the temptation to buy on credit.

Misfortune—The large majority of poor people are not criminals, addicts or 'multi-problem' individuals, but folk who, because of circumstances beyond their control, have become poverty-stricken. They include the physically and emotionally handicapped, elderly people who have worked hard, own their little home, get along on pension, then are suddenly impoverished by inflation or heavy nursing-home expenses. Some have lost their jobs because of closing down of factories, making it especially difficult for an older worker to secure another position. Some people are "not so much born into the world as damned into it." They come from poor families, live in sub-standard housing—receive little care or training—and are not encouraged to stay at school.

POVERTY AND THE AGED

When one reads that a family spends more than 70 per cent of its income on food, clothing and shelter,

and that the income of hundreds of aged is below the stated amount required to live decently and above the poverty line, we are faced with a problem that needs urgent attention. Again it is not that they are lazy or indifferent, but, on the contrary, unskilled, crippled or ill with no hope of supplementing their income. Much is being done to prolong life, but people should not then be left to languish in loneliness and want.

After working hard to build up what they thought was a reserve, paying off the mortgages on a house, educating children, paying their share of taxes, the aged find their resources eaten up with inflationary costs. They are forced to sell their home, live in rooms, or, if fortunate, a lodge or institution where they are charged beyond their means.

RECOMMENDATIONS:

Senior Citizen's Residences should be built near transportation and shopping so that the elderly are not isolated. Our senior citizens have a special contribution to make in society, and every effort should be made to keep them in the mainstream of the community. In our impersonal urbanized society this may be an effective way of bridging the generation gap that threatens to become a chasm.

Drop In Centres—In such places those who live alone could have fellowship, conversation, and creative activity.

Increased Financial Assistance—Old Age security and assistance programs have failed to keep pace with inflation. These should be geared to the actual cost of living index. Incentive should be provided by allowing senior citizens to retain any earnings.

Medicare—Such plans should be upgraded to provide for drug prescriptions, eye glasses, dentures and other para medical services for senior citizens.

POVERTY AND CRIME

There is a connection between crime and poverty. The lack of the essentials of life may influence individuals towards breaking the law. This points up the need for the government to strengthen and enforce the minimum wage Act.

Sending the Bread-Winner to Prison—Too often the male bread-winner is jailed, and the family deprived of his earning power. The mother is reduced to accepting inadequate welfare, or, if she works, cannot cope with the cost of basic needs.

RECOMMENDATIONS:

Personal Recognizance—We urge an increased use of the summons, which would reduce serious loss of job, or of work-days, both of which drain the small family income. Release on personal recognizance on charges that are not too serious allows the accused to continue to support his anxious family.

"Time-to-Pay the Fine"—This is a help to those who have no ready cash, but even so it still prolongs family distress. We suggest on the basis of our experience, that a warning, suspended sentence and/or probation would often have the desired effect.

The Young Offender—needs closer supervision on probation. Often he cannot return to his poverty-stricken home. The ideal place for him is the beneficial environment of homes like THE HOUSE OF CONCORD, where he may continue his schooling or learn a trade.

Free Legal Aid—Indigent persons urgently need this guidance, but it should be instituted on a much wider scale—at Federal rather than Provincial level.

Psychiatric Treatment—When this is ordered by the Court, the full cooperation of the employer should be sought so the accused may be able to maintain his earning power while under treatment.

Pay for Prisoners—We feel this system should be made more profitable through the manufacture, by prisoners, of goods that are in demand. If prisoners were paid more, the inmate could better support his family, make reparation to his victims or budget his savings, all of which would play a vital part in his rehabilitation. Such accumulated credits could provide funds at the time of the prisoner's release for families, for job training or for transportation. Under certain schemes money has been made available for work-permits, licenses, tools, union dues, etc., and should be expanded under supervision to ensure early employment for released prisoners.

After-Care—The Salvation Army urges extension of present efforts to unite inmate husbands with wives and recommends the extension of the present "work leave" program now operative.

POVERTY AND THE MULTI-PROBLEM FAMILY

The term "Multi-Problem Family" has long been a part of the vocabulary of social theorists. It describes a family that is the victim of a deep-seated entanglement

of many social problems of long duration. These families are often bypassed, or given only emergency assistance. The Salvation Army has a wide contact with this group, and is concerned because present social policies aggravate and perpetuate the problem.

Contributing Factors—Poverty in the multi-problem family is best understood by looking at the factors contributing to its existence—the basic cause being unemployment and/or unemployability. Lack of money and material comforts are at the root of this snowballing phenomenon, leading to inadequate housing, growing worse over a period of time. Continued lack of money and dependence on small government assistance lasting from generation to generation leads to an irreversible lethargy on the part of the parents, manifested in personal and family neglect, and increasing hopelessness.

A Psychological Look—These families possess immature personalities in terms of ego development. They act out their feelings and frustrations and show poor impulse control, seen in the continued pattern of alcoholism and unreliability, or the inability to manage what limited financial resources are available.

Dependent Factors—The dynamics of dependency operate here. These people, disillusioned and with no ability to look to the future, are captives of the present, and are dependent on their life-situation as it is now. Their deep-seated hostility toward those who want to help or change them, makes it almost impossible to alter their situation.

RECOMMENDATIONS:

To break this cycle of poverty we might best concentrate much of our effort on the children. There should be educational and rehabilitation emphasis, and we feel this can best be initiated from community or neighbourhood-based agencies. The individual must be seen as a complete person, not divided into segments of welfare, public health, school, manpower and child-welfare as he is now. We must be willing to adapt to new techniques.

Jobs and Income—Poverty is caused by an inadequate family income. Thus an effective war on poverty should include two basic socio-economic measures: (1) a program to create jobs and (2) a program of income maintenance. Such a policy of job creation would need full action on the part of the government as an employer and co-ordinator, and a commitment by the business community. Associated with this plan of creating job-opportunities is the whole area of employability programs. This plan should be expanded.

Income Maintenance—Because of personal inadequacy, work alone will not solve the problem. We should consider a negative Income Tax plan to maintain income at a suitable level, while at the same time providing Rehabilitation programs to encourage personal incentive.

SINGLE PARENT FAMILIES

The absence of one parent through divorce, separation, illegitimate pregnancy or death results in a single parent family whose many problems deserve our concern and demand our attention.

The salvation Army has been aware of the special needs of the unmarried mother and continue to develop services through maternity homes and hospitals to meet such needs until after the birth of the child. Should the unmarried mother accept the responsibility of keeping her child—her needs become those of the single parent family.

The breakdown of the family irrespective of cause creates an identity problem for its members and their role may become irreversibly distorted. Their circumstances are such that their problems are frequently perpetuated from generation to generation. Economic poverty is an additional burden to the unnatural circumstances which exist. The single parent who is left with adequate financial support has a far greater opportunity to maintain a stable family unit than the one who must depend on public support.

Single Parent Families Need Help With Poverty in Several Areas—

(a) *Physical Poverty*—the results of which are clearly evident. Families are forced to live in inadequate houses, eat inadequate food and wear inadequate clothes. Their financial income is further depleted by their lack of management skills and also their inability to improvise.

(b) *Emotional Poverty*—may in its early stages be hidden poverty. Relationships are likely to be superficial and defensive. They are unwilling to reveal their deeper needs and experience further rejection. Such needs continue unmet.

(c) *Social Poverty*—becomes evident as children grow and develop without the opportunity to learn social skills through exposure to, and participation in, the facilities of the affluent society.

As we look at the total needs of people we must become aware of:

(i) The inequality of justice—that allows welfare recipients to live in condemned housing yet pays tax dollars to the affluent landlord.

(ii) The inequality of opportunity that restricts the mother the use of dental services, recreation and educational facilities.

(iii) The inequality of expenditure—that provides large sums of money to care for a child once he has been removed from his own home.

How much does it cost to care? If we believe that a child's needs can best be met in his own family then our spending of the tax dollars does not reflect our thinking. Through Mother's Allowance a natural mother is paid approximately \$500 per year to meet the needs of her child. Through Foster Home care a mother is paid approximately \$1,000 a year to meet the needs of the child who has been removed from his own home. The Treatment Centre is paid approximately \$10,000 per year to meet the needs of the child who is not able to make a suitable adjustment within his own or surrogate home.

RECOMMENDATIONS:

The Salvation Army asks government officials to determine whether or not this kind of spending can be justified when we know that much emotional illness results from rejection and stress in early years, when we know that treatment of emotional ills is more successful when treated in the phase of development in which it occurs.

We ask that consideration be given to the feasibility of a more adequate income supplemented by a more adequate counselling service for the single parent family at the point of need. Surely such a program is not only financially more sound but emotionally more human.

Day care Service for the pre-school child is a luxury for some, a strong emotional support for others and a financial impossibility for many who need this kind of care. Such a service may free the mother to return to the labour force, become more fulfilled as a person and thus become a more adequate parent to her child. We recommend such services should be recognized in all areas of our country as worthy of tax support; making it possible for voluntary groups, already active in this field to meet the growing need.

THE WORKING POOR

For the purposes of this study we are dealing only with the working poor in urban areas. In many cases the cost of accommodation amounts to more than fifty percent of the "take home pay". As housing must always take priority over all other expenses, the provision of food, clothing and other necessities must suffer.

We must also realize that there will always be certain types of employment that are at the bottom of the wage-scale. These jobs are not highly productive, and it would be economically unsound to pay high salaries to those who undertake this type of work.

One of the tragedies of our society is that often the bread-winner of the families we are considering finds it necessary to cease work in order that his family might be provided for. In short, welfare payments come to more than his wages. This of course means a loss of self respect and independence, and the family accepting such a situation suffers immeasurable harm.

Another problem that sometimes arises in these families is that the wife and mother often feels compelled to get a job to supplement the family income, when she is really needed at home. Again the family suffers, and the children are deprived of the guidance and influence of mother when these are most needed.

RECOMMENDATIONS:

Housing—We feel more vigorous measures must be taken to provide subsidized, low dividend or public housing.

Minimum Wage—We recommend the raising of the minimum wage.

Work Training Opportunities—The adult re-training program should be broadened to make it possible for the working poor, who had insufficient formal schooling to upgrade themselves to the required entrance level—especially those over 40.

POVERTY AND ADDICTION

Addictions that contribute most to poverty appear to be alcoholism and the misuse of drugs, there is ample proof such addictions compound personal and family problems resulting in unemployability, loss of work hours, permanent unemployment and, consequently, poverty.

Alcoholism—The consumption of alcoholic beverages appears to be recognized as part of our way of life. Social drinking seems to be equated with gracious living. The Salvation Army deplores this accelerating trend and finds confirmation for its concern in information gathered from data provided by the American Medical Association indicating a preponderance of alcoholics come from homes where social drinking was part of the family pattern.

In Ontario, where this brief is being collated, the Alcohol and Drug Concerns Incorporated states the

incidence of confirmed alcoholics in the Province exceeds 115,000 and is growing, on a per capita basis, annually.

In addition to the above the same survey shows that, with each confirmed alcoholic there are seven other people involved in the resultant problems (Family, friends, business associates etc.)

Consequences—The relationship of alcoholism to poverty is sharply pointed up in an article entitled 'One Hundred thousand reasons why Ontario must review its liquor policy' written by Mr. Val Sears, a staff writer on the Toronto Star.

Mr. Sears states, and we have no cause to doubt his presentation, that alcoholism is responsible for the loss of nearly one million working hours per year. Even on the basis of the present unsatisfactory minimum wage Act the amount lost is not inconsiderable. The writer further states that, in the Province in which his survey was made, in terms of family suffering, 300,000 lives may well be blighted this year.

The shattering effects of alcoholism are not only to be computed on a financial level but must be assessed in terms of health, education and security. Indeed, it is in these latter areas that The Salvation Army finds its chief concern, for, in our thinking, people count more than money.

The use and abuse of drugs, on all age levels but particularly among the young is a phenomenon of comparatively recent times. A social evil that is growing at an alarming pace.

The effect of such addiction, in the area of poverty, is apparent. But, at our present pace, the future will face the situation when, many people, thus addicted will be completely unemployable adding to the poverty cycle by the necessity of laying out great sums of money on rehabilitation and treatment.

RECOMMENDATIONS:

Advertising of all products leading to harmful addiction or the possible impairment of health should be restricted and rigidly controlled.

The use or unnecessary display of addictive products, in media presentation should be curtailed preferably through the cooperation of the industry and the media.

Laws governing the use or possession of additives, particularly drugs, should give priority to the treatment and rehabilitation of the victim rather than punishment, while, at the same time, retaining and even accentuating such clauses that ensure the effective punishment of the trafficker.

POVERTY AND THE TRANSIENT ALIENATED YOUTH - IMMIGRANT

Transients—Man's story is one of restless searchings through every age—this one is no exception. For over a century, The Salvation Army has served the homeless wanderer, seeking to help those who strain for new horizons—those who flee responsibility in their current environment or seek work in the next city. Depression, war, immaturity produce drifters travelling from one bread-line to another. It is difficult to do more than meet the surface needs of such men—feeding the hungry, clothing the ragged, sheltering the weary. However, counselling and understanding sometimes are effective in instilling a sense of responsibility, especially in the young. Many men, now well established in society, were drifters during the 1930 depression.

Alienated Youth—Today the problem is accentuated by youthful graduates from permissive or broken homes crowding in 'hippie havens'—restless 'floaters' determined only to please themselves—learning nothing from previous generations and responsible to none. Society has shown them, through the mass media, the worst in life, leading them to experiment with all the evils of modern society. Disillusioned, then disturbed, they resort to unconventional and anti-social action that makes its contribution towards continued poverty. and while frequently based in large cities these young people are transients in spirit.

Facing these facts, our society must ask itself "What can be done to halt this bitter harvest of a permissive sowing?" Proof is evident that youthful inexperience, unguided, uncontrolled leads to disaster!

A genuine empathy for such youth, in unstructured, yet controlled programs, provides the greatest opportunity for a meaningful partnership, a lessening of tensions and alienation, while floundering for a firm foothold in this cybernetic era. Whether at a 'drop-in' center or hostel, warm personal guidance for the 'whole' person is clearly indicated as a shelter from what is considered an impersonal 'establishment' personified in Government or business. We urge continued support and speedy extension of such *proven* centres which will increasingly bring the greatest returns for our own, and for community investment.

Immigrants—Having emerged from previous generations of immigrants to Canada, one must be constantly reminded of the dire need into which the newcomer may still fall. He and his children are the citizens of tomorrow—this is sufficient, in itself, for assuring

equal rights and privileges for all, for this is the land that beckons with the promise of a 'human rights' in a 'just society'!

Patterns of discrimination regularly appear in employment/unemployment situations and may need local or Federal Government intervention if the migrant family is to become happily absorbed as Canadians. He can be trapped in 'red-tape' problems found at all levels of business—industry—labour. Man-power agencies are often unaware of the serious plight of the new citizen within our borders—and who may well have professional qualifications.

Here again, it can become a struggle to survive, let alone plan for a family which can include those still waiting overseas. Into such settings, the Army seeks to supplement aid from kindly neighbours while struggling to allay fears of deportation and untangle the web of circumstances that lead to worthwhile citizenship in their new home.

We have studied and appreciate the immigration policy of our Country which, when operated on the basis of human need and personal helpfulness, is most effective. It is admittedly difficult for officials governed by fixed policy to maintain an objective attitude. Those thus concerned would do well to make their appraisal warm and humane.

SUMMARY AND CONCLUSIONS

The many sided attempts to understand the ramifications of poverty today suggest the *urgent* necessity for a new approach. It is becoming clear that we are not only discussing human development but also human *survival*. Faced with a crisis of growing hate, hostility, frustration, violence and alienation, lonely voices are crying in a wilderness of fear and hopelessness for a compassionate society.

Civilization has arrived at a moment in history when there is no margin for error. Some people in society get more and more while the majority get less and less. Whether the causes are economic, social, cultural or authoritarian, to ignore the ecology of the problem of man's total needs would add to the *disparity* and to the *despair*.

It is evident the problems of poverty and human misery have over-ridden moral and spiritual dimensions. For example, the root *cause* of poverty is the breakdown of the family. The modern family instead of being the healing place of the soul has become the breeding ground for delinquency, divorce an in-

dividual breakdown. The unrelated attempts to *alleviate* this impoverishment of the spirit and personality have largely ignored the rights, the dignity and the worth of the individual. The *results* are dehumanizing and demoralizing. It is not sufficient to eliminate the physical and material needs of the poor when, under the complex surface symptoms, there is complete spiritual disarray. A deep concern of the church is that this spiritual malnutrition is suffered by all—not only the impoverished.

To bring relevancy to these issues, the time for paternalism, superimposed programs, false optimism and hypocrisy is past. The need is to improve the quality of human relations. The human endeavour must involve people in decision making and self help projects. This is a shift in emphasis to being of service rather than imposing servility. It will require new motivation, dedication and moral courage that, we

believe, best come from man's reconciliation with God.

It is a sad side effect of the new morality that there are growing tensions between church and state just at a time when there should be greater cooperation. The latter tends to regard religious bodies as of little significance or even of nuisance value. The church has no unique wisdom or technical answers to administrative problems but it has a definite role to serve as conscience for society. In addition it has the traditional role to serve the whole man.

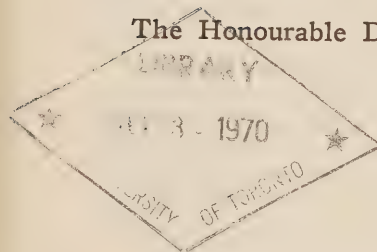
To meet the challenge of poverty all levels of authority must create the climate, the motivation and cooperation plus the perseverance to transform and renew all areas of life. Only in this manner is it possible for mankind to carry on the never ending task of being a co-worker with God in finishing creation.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
POVERTY

The Honourable DAVID A. CROLL, *Chairman*



No. 49

THURSDAY, JUNE 11, 1970

WITNESSES:

Canadian Catholic Conference: Most Rev. Georges-Léon Pelletier; Rev. Everett MacNeil; Mr. Grant Maxwell; Rev. Charles E. St. Onge.

Canadian Council of Churches: Dr. R. B. McClure; Rev. Derek G. Smith; Rev. Norman Berner; Rev. Gordon Walker; Dr. Floyd Honey; Canon Maurice Wilkinson.

APPENDIX:

"A"—Joint brief submitted by the Canadian Catholic Conference and the Canadian Council of Churches.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—

Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, June 11, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll (*Chairman*); Carter, Eudes, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, MacDonald (*Queens*), McGrand and Quart. (9)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

CANADIAN CATHOLIC CONFERENCE:

Most Rev. Georges-Léon Pelletier, Bishop of Trois-Rivières and Chairman of the Social Action Committee;

Rev. Everett MacNeil, General Secretary of the Social Action Committee, Ottawa;

Mr. Grant Maxwell, Co-director of the Social Action Committee, Ottawa;

Rev. Charles E. St. Onge, Director of the Social Action Committee, Ottawa.

CANADIAN COUNCIL OF CHURCHES:

Dr. R. B. McClure, Moderator of the United Church of Canada, Toronto;

Rev. Derek G. Smith, Christ Church Cathedral, Anglican Church, Ottawa;

Rev. Norman Berner, Secretary of the Lutheran Church in America (Canada Section), Kitchener;

Rev. Gordon Walker, Secretary, Division of Evangelism & Social Action, Baptist Convention of Ontario & Quebec, representing the Baptist Federation of Canada, Toronto;

Dr. Floyd Honey, General Secretary of the Canadian Council of Churches, Toronto;

Canon Maurice Wilkinson, Associate Secretary of the Canadian Council of Churches, Toronto.

The joint brief submitted by the Canadian Catholic Conference and the Canadian Council of Churches was ordered to be printed as appendix "A" to these proceedings.

At 12.25 p.m. the Committee adjourned until Tuesday, June 16, 1970, at 9.00 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Thursday, June 11th, 1970

The Special Senate Committee on Poverty met this day at 9:30 a.m.

Senator David Croll (Chairman) in the Chair.

The Chairman: I will call the meeting to order. We have a brief today from the Executive Committee of the Canadian Catholic Conference, and the Executive Committee of the Canadian Council of Churches.

On my right is Mr. Grant Maxwell, who is the Co-Director of Social Action; he will introduce the delegation. If you have occasion to use the translation, that is available to you. I think perhaps you have had enough experience with it, if you find occasion to use it.

Mr. Grant Maxwell, Co-Director of Social Action (English Section), Canadian Catholic Conference: Thank you, Senator Croll. We are sharing these preliminaries. If I may, I will ask Dr. Floyd Honey, who is General Secretary of the Canadian Council to introduce our delegation.

Dr. Floyd Honey, General Secretary, Canadian Council of Churches: Thank you, Mr. Chairman and honourable senators. You have already introduced yourself, Mr. Grant Maxwell, who is the Co-Director of Social Action of the Canadian Catholic Conference, English Sector. Sitting next to him is Canon Maurice Wilkinson, Associate Secretary of the Canadian Council of Churches.

Flanking the head table on the right here first of all Son Exc. Mgr Georges-Leon Pellerier, Eveque des Trois-Rivieres, et president, Office l'Action Sociale. Next to him is the Reverend Everett MacNeil, who is General Secretary for the English Section of the Canadian Catholic Conference. Next to Father Macneil is Dr. R. B. McClure, Moderator of the United Church of Canada, and beside him is M. l'abbé Charles E. St-Onge, directeur, Office l'Action Sociale, de la Conference Catholique Canadienne, from Ottawa.

In the back row on the right facing us as we view them here, the Reverend Norman Berner, Secretary of the Lutheran Church in America (Canada Section). He comes from Kitchener. Next to him the Reverend Gordon Walker, who is Secretary of the Division of Evangelism and Social Action of the Baptist Convention of Ontario and Quebec, representing the Baptist Federation of Canada.

Finally, the Reverend D. G. Smith of Christ Church Cathedral in Ottawa. Archdeacon Light, who is the General Secretary of the Anglican Church of Canada had intended to be here but was prevented from attending by the illness of his wife and Mr. Smith is here in his place.

If I may say just another word by way of general introduction. One might say, Mr. Chairman, that the impetus which led to the preparation and submission of our brief today came originally from the Conference held in Montreal in May of 1968, an inter-church conference on the theme, Christian Conscience and Poverty.

As part of the follow-up from that conference, which was indeed a landmark as far as sensitizing the churches to the issues of poverty both in Canada and the world is concerned, the Canadian Council of Churches and the Canadian Catholic Conference set up in the fall of 1968 a joint committee whose terms of reference were to propose a practical strategy of unified action for all Christian churches in their present programs of social action and in particular concerning poverty and their future action programs which may evolve in an ecumenical spirit.

That committee worked for several months and produced a report which bears the title "Towards a Coalition for Development" which, I believe, is in your documentation.

This report proposed the establishment of a coalition of Canadians for development and there is information concerning the evolution of this coalition in the brief that we are submitting today, but one of the other recommendations, which was contained in this

report, was that the Canadian Catholic Conference and the Canadian Council of Churches should join in submitting a brief to the Senate Committee on Poverty.

We have had a joint committee again working over some months in the preparation of this brief. It now has the endorsement of the Executive Committee and Board of the Canadian Catholic Conference and the Executive Committee of the Canadian Council of Churches.

Thank you, Mr. Chairman, and Mr. Maxwell will commence the outlining of the brief.

Mr. Maxwell: Senator Croll and members of the Committee, in discussing procedure this morning Senator Croll said to me that we could have several opening statements so long as it did not take the whole morning. We are going to content ourselves with one although it may be a rather omnibus one, I think we can stay within the ten or fifteen minutes on it.

I will briefly speak of the genesis of this brief and really what we are trying to do within it, and l'abbé St-Onge and Canon Wilkinson, who were collaborators in the drafting stage, may want to add some comments to that.

As Dr. Honey has said the preparation of this brief grew out of this little book which I think has been brought to you by more than one of the church delegations already and several of the same persons who worked on this Coalition for Development document last year also worked on the preparation of this brief.

I would like to put on the record that we owe much to two colleagues who have moved into new fields and are not with us. I refer to Dr. Charles Forsythe and to the Reverend William Ryan, S. J., who were members of the committee who worked on the preparation of this brief along with some others of us.

The brief, too, that is before you owes much to the social insights of the Second Vatican Council, of the World Council of Churches proceedings in January, 1966, and, as Dr. Honey said, to the Montreal Poverty Conference of May, 1968. I think that date has some significance that in May, 1968, which is over two years ago, twelve of the churches in Canada jointly sponsored a conference, Conscience and Poverty, in Montreal, and it was one, I think, that brought forcefully to the attention of Christians and to other Canadians the urgency, the question of conscience of trying to deal with poverty, not only in

Canada but also abroad. That conference predated by a few months the Economic Council report, their fifth annual report, which, as you know, brought the issue of poverty forcefully to the Canadian public's attention.

Now, our brief is a modest one. It has limited scope. We do not come before you as social technicians, as persons expert in various of the social fields. You have had many presentations by those who are expert in this or that economic or political field. So far as we are competent, honourable senators, we tried to be interpreters of the Judea-Christian tradition. We are trying in this brief to give utterance to a voice of social concern, to speak for human values, of which sometimes sight can be lost.

We come before you, as we are called to, as churches, as Christian groups, as watchful critics of this society or any other and we offer some criticisms of existing priorities in Canada. We offer some hopes for a new social policy and for some new priorities and we offer in the brief a progress report on an experiment in the voluntary sector, The Coalition for Development. You have the brochure which we just received from the printers this morning and we will be speaking more about that.

Now, in the first chapter or section, "Perspective and Norms," we attempt there to situate the problem of poverty within a vision of man in society, something broader than the solely economic. We try to offer a biblical perspective and we raise the question whether existing priorities for all the good things that are accomplished in Canada, do in all cases put human values first in our society.

On pages 5 to 8 we try to express what we call the process of liberation. That is something that looks beyond just the idea of development and you may want to question us on this. I think we should stress that we are not committed to any one ideology. While we may criticize the status quo in any or every society, that does not mean, on the other hand, we are committed to a particular ideology or philosophy. If any word could be used to describe the kind of society we want, it would be the term, I think, which was pioneered by the World Council, "A responsible society, one that has a broader base of participation," which, I am sure, coincides with your own aspirations and with those of citizens' groups and many others.

We propose two working norms in the light of our perspective. One, that full development of Canada depends on a closer working rela-

tionship between the public sector, governments, and the parliamentary process and, on the other hand, private sector and volunteer groups. With respect to the voluntary groups we have been convinced by this report and other evidence that new working partnerships are required in order that from the voluntary sector there can be greater impact on social policy. That is what led us to initiate through the Council and the Conference the coalition process.

We are giving in this progress report a report of how far the coalition experiment has come. It is only a year ago now that we started to have exploratory talks with people in the trade union movement and business and so forth and it is only now well-launched.

We added this morning a further piece of material to the documentation as an example of what the coalition is trying to do. It is this sheet and this statement is a statement on tax reform which the coalition executive, and all their names are listed there, prepared and made public just Tuesday and in it we are proposing to try to get the partner organizations in the coalition to bring in a countervailing balance in the present tax reform debate.

In the third section of our brief—I think it is wholly in line with the perspective we offer—we say that the first priority in social policy-making should be to guarantee basic human rights which in Canada is underway. We try to point out some areas where it is needed further. We outline four specifics there and really there we endorse the positions already advocated by the Evangelism and Social Services of the United Church for the Canadian Welfare Council.

I think page 20 sums up our hopes best of all, where we say we look to this Committee to initiate and to bring forward creative and concrete recommendations that will help initiate a new social policy for Canada.

We think that you are a body particularly well-placed and with competence and with the richness of proposals and suggestions that have been made to you to give that public service and we are confident that you will. Along with it we put in a plug for the idea of having a social council in Canada that would be of similar stature as the Economic Council.

Finally, members of the Committee, we come to the question of will and attitudes which to a large degree puts the problem right back on our doorsteps as religious groups. In that section we acknowledge our

public responsibility. We claim to be agents of moral concern and interpreters of human values. Well, if this is so and if we live up to that responsibility, we have much more to do and we acknowledge that. Finally, we reaffirm our commitment to the four social guidelines which are in this little book of May, 1969. They are social guidelines for the 1970's so we have some time to honour the commitments there, and yet we realize the urgency of bringing home to the people who call themselves Christians their responsibility to their brother at home and abroad. We are hoping that at least a creative minority will respond to our efforts in that regard.

I think, Senator Croll, perhaps M. l'abbé St-Onge or Canon Wilkinson might want to add briefly to those remarks.

[Translation]

Father Charles E. St-Onge, Director, Social Action Department, Canadian Catholic Conference: Mr. Chairman, you have just heard Mr. Maxwell who gave you an overall picture of the brief that was submitted to you today, and I also believe that Mr. Maxwell pointed out to you the important facts in the brief. I would like to give you my personal impressions of what struck me when working on this brief and its final completion.

This morning I am of the opinion that we should ask for a gift here, an ability to be shocked and to shock others, and we have several good reasons for being shocked.

We recognize today that what is surprising is not the fact that there are poor people. It is a fact which is as old as the world itself, but it is the fact that in 1970, in a society of plenty, we can countenance living with poverty around us. This is the first time in the history of mankind, I think, that we can fight this problem, that we can effectively undertake the battle against poverty, but we wonder whether we have the courage to do so, whether we are capable of shaking off our apathy and that of our fellow-citizens in order to solve this problem which is unacceptable today. The experts are in agreement in saying that we have the means to solving a problem such as this, that we know how to go about it, but what are we lacking. Yet there are other spectacular projects, for example, the conquest of space where the experts had their doubts as to whether such a project could possibly be achieved, and yet they have succeeded, while on a problem like the other, the experts agree that there is a way to solve it.

Another good reason for being shocked when faced with the problem confronting us today is that we are losing ground in this battle against poverty. The decade of the 60's has been described as a setback where development is concerned. We are gradually losing ground in our aid to under-developed countries, and here in Canada—I do not have the statistics on hand to say whether we are progressing in that area. And I think that it is not unfitting this morning to point out a few rather revealing facts about our success, or lack of it, with respect to foreign aid.

At this moment I recall the testimony of the Oblate missionaries working in Latin America who came and presented to the Government of Canada a brief on Canada's foreign policy towards Latin America, and in that document there are quotes which should disturb us. When they say, for example, that the aid service in Latin America, the under-developed countries cancel 75 per cent of the aid that Canadians, Americans, the industrialized countries want to give those under-developed countries.

Another situation. Our statistics said that in 1950 and 1965, the price of imported products rose by 21 per cent in the under-developed countries while the price of exported goods fell by 9 per cent. The Americans who invested \$3,800,000,000 in Latin America had returns of \$11,300,000, during that same period. Who profited the most from that aid?

And we also heard the Prime Minister of Jamaica state that in 1966 it took 650 tons of sugar-cane to buy a Canadian tractor whereas it would seem that in 1968 it took 3,500 tons. Therefore, if the situation deteriorates, I think that it is time to change the situation.

We might also have another reason for being shocked when we take stock of ourselves, we here who have come together to work on this problem of poverty, and I believe that it is of prime importance that we ask ourselves to what extent we are committed to this problem of poverty. Have we lived it within us? Do we identify with groups? Have we felt in our flesh and bones the crucial questions concerning the poor? Otherwise, we would run the risk of being amateurs in broaching this problem, or even of being the poor, and with all the limitations that being committed to a problem like that involves.

In this document, in the brief, I believe that the basic idea, the basic expression which runs through the pages like a refrain and—let us go on to the words liberation and partici-

pation—if there is a key which should, in my opinion, assure us success, that is the one: liberation through participation. And you will see this word crop up constantly throughout the pages of the brief. We shall find fair and realistic solutions only if we actually agree to rally around the basic idea with those who continually live with these problems of poverty. I know that we can bring them enlightenment; we have experts among us who have tackled the problem and who are able to observe it in its entirety. But if all we have left are office solutions, inanimate solutions, if we lean over the table, we run the great risk of sidestepping the real priorities as we have done in the past. Therefore we shall have to listen to the voice of the poor who offer explanations awkwardly and timidly most of the time, but we must try to perceive the depths of their aspirations as much as possible.

And in conclusion, I would also like to show how this brief falls in line with a message which was given last year by the Episcopal Commission on Social Action of which Monseigneur Pelletier is chairman. The commentators who studied that message were called prophetic, and I again find the same tolling of the bell, the same echo in this brief that was submitted to you today as in that message which was devoted to the new power. The message tried to define what was this new phenomenon that was appearing in present day society, and what this new power—they say it is a redistribution of power among groups who until now have been deprived of it. The bishops have viewed this emergence favourably, this birth of a new power in society, both civil and religious, and have said: this distribution of power will result in a greater participation in decisions, it makes a further call to people's sense of responsibility and we believe that it can make a large contribution to man's development and to building a more humane society.

In this phenomenon, it was also pointed out that the powerless, the deprived, those left aside, could, through this emergence, give themselves a voice to express their dissatisfactions, and their satisfaction and dialogue more with those who hold power.

And they did not fail to condemn the anonymity of these impersonal powers, (crafty(?)) and cut off from life. And the average citizen no longer accepts being excluded from decision centres which decide on his daily life. I could add more than a

page, but it is the same echo, the same tolling of the bell that comes up in the brief, and I believe that that must attract our attention today since we are concerned with the problem of poverty, the little people, the economically weak, those who do not have the power to speak and ask for what, they are convinced, they are entitled to. Thank you, Mr. Chairman.

[English]

The Chairman: Thank you.

Canon Maurice Wilkinson, (Associate Secretary of the Canadian Council of Churches): Thank you, Mr. Chairman. Your Chairman thinks your memories are not too good. I am Canon Wilkinson of the Canadian Council of Churches. I would like to just perhaps dwell for a moment on some of the bases on which this brief is built. I think it is not without exaggeration to say that the flow of theological concern and social involvement reflected in this brief is in the full stream of the concern and theological development expressed at the Oxford Conference on Churches in Society, the church society and state it was at that point; one of the main streams which flowed into the establishment of the World Council on Churches. Grant Maxwell has already cited the term, the responsible society, a term which was coined and has been a common terminology and the main basis for the development of both theological concern and practical involvement in the member churches of the World Council of Churches since its initial assembly at Amsterdam immediately following the last great war.

This concept owed a lot to the involvement of the churches' missionaries anywhere in the world, both in the home countries and in the far countries, involvement with the have-not sections of society.

It received its next major explosion, if you like, at the Church in Society Conference in Geneva in 1966. Much of the preparation for that conference was undertaken in the closest collaboration with the world fellowship of the Roman Catholic Church who, at the time, were engaged in their Second Vatican Conference. In fact many of the people who were the architects, if you like, of the Geneva Conference were at the Vatican and vice versa. It was my privilege along with Father Ryan to have been at the Geneva Conference and to share with him in reporting on these two streams to the Central Committee of the Canadian Council of Churches in November of that year. It was at that November meeting in Geneva Park that this resolution was

adopted which set the whole succession of events in process and which led to the Montreal Conference in May of 1968, the continued wrestling with what must we do with this process which has been begun which, in turn, led to the writing and public presentation of the report towards coalition for development in May, 1969.

Numbers of people, you know, wonder just what happens with a report like this. So do a lot of us. One of the things that a small group of us, who worked at writing and producing that report, determined was that it would not just be presented in quiet to a couple of executive groups where it could be neatly pigeon-holed because it was a bit prickly. We made sure that our friends in the mass media were there to give it wide publicity, that there were interviews, that sufficient copies of the thing were put in circulation. We were very grateful for the kind of coverage it gave for it immediately put the cat among the pigeons, if you like, and there was a great deal of discussion and a great deal of opportunity for people to begin to start to say, "All right, responsible people are asking these kinds of questions." "Mr. Mayor, or Mr. Bishop, or Mr. Director, or whoever is the local authority, what about it here?"

I have been myself encouraged as I have travelled back and forth across the country since May of 1969 to discover that in fact in very local scenes and in regional scenes the kinds of questions and the kinds of directions, which such a thrust had begun, have in fact been picked up and are in fact being pursued.

It is now just a year and a few months since the publication date and you know, when you are dealing with strategy, you cannot expect to have had very large accomplishments but you can expect to have had some beginnings. I am quite happy to be able to say that there are such beginnings and that amongst other things many of the folk who are having such beginnings are at last pulling together a lot of their own pretty significant theological, moral and ethical bases, and relating them to the practicalities that face them in a new set of circumstances today. What they do with them, Heaven can only tell and reveal to us as the days go by, but we are going to do our best to encourage it.

Thank you.

Senator Carter: Mr. Chairman, I have another committee from which I played hookey to come here. I will have to go back around eleven o'clock and so I will not get a

second round, so if you do not mind I would like to finish my questioning.

The Chairman: Of course.

Senator Carter: I would like to ask first of all we have a joint brief here of a group representing a large number of bodies. I would like to know whose view the brief represents. Does it represent the views of the Catholic Conference, the Council of Churches? Does it represent the views of this coalition or does it represent the views of this convention? You referred to a meeting in Montreal some time ago where these ideas were worked out. Just who is back of the views in the brief?

Mr. Maxwell: I think, Mr. Chairman, that Bishop Pelletier and Dr. Honey might want to speak to that.

[Translation]

His Excellency Monseigneur Georges-Léon Pelletier (Bishop of Trois-Rivières, Chairman of the Social Action Department, Canadian Catholic Conference): Mr. Chairman, Honourable Senators, I believe that this brief represents the views not only of the Catholic Church, not only of the Council of Churches, but also of a large section of the population. First we distributed more than 50,000 copies of the pamphlet on poverty that you have here, pamphlets which were distributed not to individuals in particular but to groups who studied, who looked at them. In addition, as far as the Catholic Church throughout the country is concerned, we had many discussions, study sessions throughout the dioceses and throughout the various organizations, which means that a large number of people have been reached. This does not mean that the whole country came into contact with it. But, I think a good number were notified, alerted and a good number of citizens share to a great extent the views given there. If you ask me now to what extent they are personally committed, that takes longer. It takes longer to become committed, and more precisely to agree not only to give a part of his income but also to accept the fight and try to build a better society, because, as you very well know, the more a society improves, the more difficult it is to live in that society.

Consequently, if we do not change all our ways of helping all citizens, it is at that moment that the number of poor, the have-nots, those who live on the fringe of society, is going to increase, always, because insofar as we give comfort, for example, insofar as we derive benefit from a new invention, we

are making the world more difficult for each of us. We are making the world more difficult to live in. It is a bit like someone who becomes a champion boxer. He has to defend his title very often if he wants to retain it. It is the same thing when we produce inventions, comfort and all. This is why insurance companies change their insurance policies in order to meet the people's new requirements, it is not, and they succeed in getting clients, we too—when I say we, it is the governments, the churches, the intermediate bodies of all the citizens who must cope with this new society, change their way of looking at things in order to meet the requirements of this offer so as to integrate the people in society insofar as possible—because the poor, if they do not feel that they are integrated in society, are going to detest it because they do not know enough about it. But if they are integrated, if they can have their say, consequently, they are going to start liking it, they are going to stop being protesters and they are going to work to build that society.

I will give you a small example. Five or six years ago, we called upon people, I mean Catholics, through a movement called the Propagation of Faith and we asked several black dioceses in Africa to give something for the Propagation of Faith. They gave very little. But they said: how happy we are, this is the first time that we have been asked to do something to help others. They were pleased when they were told that even the few pennies they had given were used among the Eskimos, among the Indians even in Canada's North; they were very happy to have helped others in other countries. Therefore, I think that to answer the Honourable Senator's question, it can be said that a good proportion of our fellow citizens have been alerted so far, and this is only the beginning. Thank you very much.

[English]

Dr. Honey: Mr. Chairman, in the official sense we would say that the brief represents the views of the Canadian Catholic Conference and the Canadian Council of Churches. Now, when one comes to the Canadian Council of Churches we of course confront the fact that there are eleven member churches of the Council. The brief was prepared as a result of official authorizing action by the official decision-making bodies of the Catholic Conference and the Council of Churches so that the official representatives of our eleven member churches sit on the Executive Committee of the Council, which has endorsed the brief.

This does not necessarily mean that our churches, one and all, officially endorse everything that is in the brief. There are nuances here in terms of various levels of representation. Nevertheless a number of our churches, over the period of time during which the Coalition for Development had been in the process of establishment, have been receiving the materials which have been produced, the reports of the Montreal Conference and the report on Towards the Coalition for Development. These have been widely circulated as has been pointed out by other speakers and many of our churches have taken actions of one kind or another which are supported by the kind of principles which this brief is advocating.

For example, you may wish to ask Mr. Walker to report on the action just recently taken by the Baptist Convention of Ontario and Quebec.

Now, it is very difficult to say, as Bishop Pelletier has pointed out, how far we have gone and how far the churches at their various levels, from their top official governing bodies down to the level of the parish, have gone in the development of this kind of sensitivity so we would have to say in one sense officially we represent these various churches and this in itself is part of an effort to sensitize the churches at all levels.

Senator Carter: Coming back to the question from another angle, in your brief you refer extensively to the report ISR—what percentage of the church membership, can you give us an estimate, has read that report? What percentage would be inclined to implement it?

Mr. Maxwell: I can give you a hopeful guess, senator. We have sent out, as has been mentioned, 50,000 copies which in terms of churches makes it a best-seller for a modern document and that has been in response, in almost all cases, to requests from Vancouver Island through to Newfoundland.

It is spotty, of course. It is here and there, but that is within the first year we have circulated fifty thousand. I would hope that maybe 5 per cent to 10 per cent of the active Christians in Canada will come in contact with this, are concerned about it and giving it serious study.

The first thing in that brief that it calls for is a review of resources, what our priorities are within the churches, just as we are calling on governments to do, so I would hope

between five and ten per cent of our people are taking seriously and are getting at it.

I would not claim it is 10 per cent now but if it gets to be 10 per cent that is enough to move the whole church in time.

Senator Fergusson: May I interrupt and ask if any study groups are being organized to use this as a basis for study?

Mr. Maxwell: Yes, indeed, Senator Fergusson.

Canon Wilkinson: I could supplement that a bit. I just made a few notes while Grant was speaking. I know in the Canadian Churchman, which is the national paper of the Anglican Church of Canada, the Western Catholic Report—I am not sure about the one at Kingston—and the United Church Observer, the Presbyterian Record and the Maritime United Churchman, all of those papers have carried the summary of points of this and that all of these papers since its publication have not missed one issue without a report of some study group, some action group that directly bears some relation to the stimulus of the report.

Mr. Maxwell: Within the churches, as many as 250 groups that I know of of varying sizes at parish and congregational level have received from our office alone in the last year some discussion starter material based on the report.

Senator Fergusson: Does each publication go to everybody in that church?

Canon Wilkinson: No.

Senator Fergusson: I know it does not but I just wondered what proportion of them would get it. Would it be the ones that subscribe?

Mr. Maxwell: In terms of church periodicals, yes, I suppose so. We have, for example, sent strategy reports, and I hope it will do the same with this, to chanceries, to ministers and priests, and so forth.

Senator Carter: You refer in your fourth report and I think one or two people this morning referred to South America. I was in South America several years ago but it was very evident from what I could see for myself that the church in South America was identified with the upper classes of society, with the affluent rather than with the poor. Would you say the same is true of Canada?

Mr. Maxwell: I will give you a personal opinion. Can I first of all comment briefly on your Latin-American remarks? I think that many observers have seen that, Catholics included, but it is not an unmixed picture. Catholic bishops are among those most active now in Latin America in a whole social movement that has the same name as we are using here incidentally, the liberation movement, to make people conscious of their own potential, so I think there is a turning-around going on in Latin America.

Now, whether in Canada the church is popularly identified with the affluent and the Establishment, yes, we read that criticism in the media every day and some people certainly think it, but we have in our churches too many thousands of faithful people who are themselves deprived, outside the main stream, and in many cases the church is the one thing where they have hopes. I feel this personally.

This is not to say our image is what it should be or that our record is what it should be.

Senator Carter: Well, I will come back to that a little later. You speak about your coalition. You have a whole list of names here, half a page, but I do not see anybody that represents the poor. Who represents the poor in your coalition?

Mr. Maxwell: The poor represent themselves on the coalition. We have Chief Daiter there representing the National Indian Brotherhood. As you know, he is the recognized spokesman for many of our poorest of the poor and Chief Daiter himself said at our founding forum that the coalition process was the first activity of this kind where the Indians had been invited to participate from the very beginning.

Senator Carter: Yes, but they are invited there on an ethnic basis rather than on an income basis.

Mr. Maxwell: We do not have any income test for membership, senator.

Senator Carter: No.

Canon Wilkinson: Besides which, as far as the motivation permutation was concerned, both things part of it because I had a hand in issuing the invitations. You may question my motives if you want but that is what I am saying they were.

Mr. Maxwell: Citizens' groups are represented, too, senator.

Senator Carter: Did you help the Indians to prepare their red paper that they presented?

Canon Wilkinson: Yes, we did. One of the members of the coalition, the Anglican Church of Canada through grants to them made sure that they were able to collate their material. If they did not have that grant they would not have been able to complete the preparation of their paper.

Senator Carter: I think on page 6 you touch the core of the problem. You refer to selfishness, I think. "Injustice has its origin in selfishness." And further down you talk about power groups and new men.

It is on page 7 you talk about citizens' groups. Now, if you organize citizens' groups and they achieve reasonable power, are they going to be less selfish than the groups we have now in the exercise of their power?

Canon Wilkinson: We will have to find out when we get there.

Senator Carter: I am asking for an opinion.

Mr. Maxwell: Well, they suffer the human condition the same as the rest of us, senator. I think that it does not take away from the validity of the argument that we need to broaden the base of participation and that the deprived, the poor, need to be brought more actively into the decision-making process and they can add then to what the technical experts have, the actual experience and anguish of human poverty and this should lead, I hope, to more enlightened and more intelligent social policies.

I guess the selfishness thing will always be there but no more so in them than in the rest of us.

Senator Carter: Well, what hope is there, then, because you are going through selfishness as part of the fundamental problem.

Mr. Maxwell: There is all kinds of hope. I feel as a Christian, as a human, that humanity all though its history has struggled to progress, to overcome the selfish tendencies.

I think we have been making progress and that we will make more.

Dr. R. B. McClure, Moderator of the United Church of Canada: Mr. Chairman, surely one of the features we are trying to make is to get a balance. That is, the balance we feel now is sometimes weighted against the poor. By the poor having a voice we will get a balance. We do not think the poor will be less

selfish than the others but I think it will give a better balance.

Senator Carter: I agree with that. We all agree that the poor have got to exercise whatever influence they can and they have got to organize to do it otherwise they are going to be left out of things. They have got to get their share of it, but what I am trying to lead up to is what I think is a defect in your thinking. You are pointing to structures rather than going to the root cause of it. The root cause, you point out yourself, is selfishness and this is part of our problem, too. We realize that if there was no selfishness in the world there would be no poverty, and in a country like Canada where we have, as you say, the technical know-how and we have all these things, if we could eliminate selfishness, greed and dishonesty and these other things then we would have a much different country.

What I understood your brief to be saying is that what we have got to change is a system somehow rather than changing the man who operates the system.

Mr. Maxwell: I think, senator, it is not either/or. Often we have had these arguments among ourselves. Some will say it has to begin with attitudes and then you change the structures. Others say you change the structures and then you change attitudes.

I think what we are trying to say here is, simultaneously we have to make an effort to be changing attitudes, question consciences, at the same time as we need new structures, but some of the other church spokesmen may want to speak to the question. I think you have put your finger on the heart of the matter.

Canon Wilkinson: I would think, Mr. Senator, that this is why our brief ended with the section that it did, which is talking about the question of will. Along the way to it you talk about examples, that of necessity being a large number of people you have to have organization. You have to have structure and pointing to inequities in those things as examples of the failure of the will, the failure of humanity to overcome this selfishness or what-have-you in those examples; but we come back and we end on our main theme which is the question of will to use whatever structures may be emerging for the betterment of humanity and the elimination of poverty in these particular instances.

Senator Carter: We are seeking the benefit of your wisdom because we realize that if poverty is to be eliminated in Canada it is going to cost a lot of money.

Canon Wilkinson: A lot of effort.

Senator Carter: It is going to take more than money. It is going to take will and it is going to take commitment to do it.

Canon Wilkinson: Yes.

Senator Carter: And that commitment will not come unless you can change somebody inside. You have to change the attitudes of the public. This to me is the heart of the problem. We want your help and somebody has got to do this otherwise if we cannot change public attitudes we are not going to be able to do anything about poverty.

Now, what is the Council of Churches, the Conference, and all the church bodies going in this direction?

Dr. McClure: May I share one of my reasons for great optimism in this matter. I think as you get the poor better represented it is possible they will not fight greed of the wealthy by greed of the poor.

I have just come back from South Africa and the most marvellous discovery there is to find out in the whole of South Africa amongst the African population there are no Black Panthers. They say we have suffered from racism and therefore we do not want the black man to dominate the white man. We want to have racism wiped out and I feel the same thing can come from our poor. You do not expect to get selfishness eliminated from the poor by simply letting them be victims of selfishness. It is our hope and it is my optimistic hope that the poor as they begin to have influence will realize that greed is what they have suffered from and therefore why put their greed up against the other man's greed? It is better to eliminate greed.

I think this is the way social advancement sometimes takes place.

Senator Carter: We have got to get people involved in various ways.

Dr. Honey: May I simply add another word in response to Senator Carter? It is true that in the churches we ought to be concerned about the selfishness which is in human nature. We are concerned about it and of course it is part of our understanding of the faith, that we must work on the hearts of men and not simply on the structures.

If we were to let that become an excuse for doing nothing about the structures then we would be failing in our duty and there are many people unfortunately—and this is part of the problem—who are going around saying, "Don't touch. Don't worry about the social structures. Work on the hearts of men and everything will take care of itself."

Well, now, supposing we took this attitude, let us say, with regard to law and order, and crime, you know, and we say, "Why bother with a police force? If you would only change the hearts of men we would not have criminals." Well, this is true but the fact is that it is not going to work out quite that easily. While we work on the kind of selfishness which leads to crime in certain circumstances, we still have to have a police force. We have to provide some kind of structure to provide for justice.

Senator Carter: I agree with that. I am not disagreeing with it but here you people are representing churches and churches are the guardians of our morals and the conscience of the nation and the church itself is a structure and we are suffering from materialism out in the sector of society. What are you doing about secularism and materialism because it is the same disease? It does not matter if it is in society or in the church, it is materialism. What are you doing about it?

Mr. Maxwell: Senator, we are not doing enough about it but since 1968 at least in the Montreal Conference, that is what this effort and everything else is all about. A number of us are trying within the churches to say to Christians first of all that we must examine our consciences. We must review our priorities. We must change our priorities. We must put less into the material things as churches and more into what the Gospels are all about.

I would be the last to claim that we are way down the road but we are trying to make that very examination of conscience, for which you call, a priority within the churches and hopefully we can be a voice of conscience in the public arena, too.

Canon Wilkinson: Could I perhaps give one or two brief examples that may be the sort of thing that the senator is asking for? I know that this Committee have already heard through the United Church presentation about the West Don Parish, which is an ecumenical parish in the City of Toronto. That parish came into existence because of the depressed nature of the whole area and the realization of the individual denomina-

tions that they individually could not cope with the problems which it represented. They needed to work as a totally religious structure in the area to be able to open up the kinds of opportunity for street gangs, for transient youth, transient men, transient women, families, the whole bit.

By establishing this kind of parish they have been able to do a significant piece of work.

In the City of Edmonton, a similar inner-city group recognized that none of them as individual parishes, well-heeled as most of them were, could accomplish the kind of ministry to the deprived that existed on their doorsteps, so they set up and jointly financed and jointly planned and operated a common ministry. The Reverend David Crawley is their staff person and they do a great many different kinds of service ministries that are in fact organized and enabling the voiceless in the area to work out what are their needs and express them in constructive kinds of questioning that enable people to respond helpfully to their needs.

In the City of Saskatoon, in the City of Vancouver, and in the City of Halifax, I could cite the same kinds of things that are happening and most of them have begun to happen since the distribution of this thing and are both a part of the thrust that produced it and a part of the results of it.

I do not know whether these are part of the sort of things you are looking for or not.

Senator Carter: Well, my time is running out, Mr. Chairman, but I want to ask a question on page 15 because previous to this you say you endorsed the brief submitted by the Welfare Council, and by the United Church Board of Evangelists.

Now, it boils down to a problem of money. We are a nation of twenty million people. We have about seven million taxpayers. We collect about ten billion dollars a year. All over in Canada we have a GNP of, say, roughly seventy-five billion dollars and roughly one-third of that (twenty-five billion dollars) comes out of the pockets of the taxpayers. Although we are spending six billion dollars roughly on welfare now and roughly six billion dollars on education, as far as the Federal Government is concerned we are collecting about ten billion dollars, about seven billion dollars from income tax and about three billion dollars from corporation tax.

The bulk of that seven billion dollars come from people under \$15,000. I think only one

billion, five hundred thousand dollars comes from people earning more than \$10,000, which is relatively small, so if we are going to spend more money we have got to get it. I have not time to go into the Welfare Council because I do not agree with what they propose, which you refer to here as harmonizing, because what they said was you work out your welfare program first and then collect the money. You cannot collect money that is not there. The money has to be somewhere to get. So the only other way to get it is to reduce expenditures. Somewhere.

Here on page 15 you imply anyway that we should cut down on defence. You refer to \$1.8 billion spent on defence. I would like to know in your opinion, does Canada have any obligation at all to contribute to her own defence as a moral question?

Mr. Maxwell: Of course.

Canon Wilkinson: Of course we do, but what do you define as the enemy; poverty or a mythical attacker?

Senator Carter: I am talking about the national defence of our country against invasion.

Dr. McClure: Or riots within, or just invasion without?

Senator Carter: Or a take-over anyway.

Reverend D. G. Smith, Christ Church Cathedral, Ottawa: I think perhaps I might reflect I hope, in part at least, the opinion of some Christians. It is not perhaps less than \$1.8 billion should be spent on defence but if that amount is spent on defence that reflects a primary commitment or hierarchy of priorities which seems unequal and grotesque.

If one spent \$1.8 billion on defence perhaps I think the church is saying you should be spending twice that on welfare and that does not necessarily mean it is taken from the defence budget. It still does not solve the problem of where the money is coming from but I think the implication that is constantly taken that we do away with the defence system is an erroneous one. I do not think anyone is suggesting that. It is a question of priorities.

Senator Carter: I do not know. You have implied it here. Other briefs have been even more frank and said we should cut down. If we are going to save money, this is where we should do it.

Mr. Maxwell: What we are questioning there is that we allocate in our federal budget \$1.8 billion to national defence and on the other hand allocate each year \$300 million, one-sixth of that amount, to world development programs which in our mind is a more positive way to build peace in the future in the global community.

That is the point we are making. As Mr. Smith said we are questioning that priority; about six times as much for national defence as for world development, when in fact if we were attacked by an outside nation we would have to turn immediately to one of the great powers for our defence. We really could not eject them.

Senator Carter: Let me stop you there because you say you are questioning it. When you are questioning it you are questioning our commitment and our obligation that we have undertaken in good faith. Are you saying we should tear them up?

Mr. Maxwell: I am not saying we should tear them up but just in the public sector, as in the churches, we are saying there needs to be a thorough examination of present priorities, our assumption in the national defence sector as in others.

I agree with you there was a limit with the money question but it is more than cutting down expenditures. It is also a matter of surely re-ordering our priorities, of taking new approaches to what is called the welfare problem and things like that.

We look to your Committee for some creative insights there that will show us how.

Senator Carter: You are putting the shoe on the other foot. We are looking to you for help and this is what disturbs me about your brief because you are a group that represents, or I should say, should be representing the moral conscience of the nation. The only thing I find in your brief is this reference to the \$1.8 billion that the Canadian taxpayer is spending on defence. You do not say anything about the two billion dollars we are spending on alcohol. You do not say anything about the one billion dollars we are spending on tobacco. You do not say one thing about the one billion dollars almost we are spending on gambling and horse-racing. You do not say anything about the one billion dollars we are spending on travel or the \$200 million we are spending on candy.

Mr. Maxwell: These are not public policies, though.

Canon Wilkinson: Those are not within your jurisdiction to say who shall spend or shall not spend. They are private expenditures. The \$1.8 billion is a government expenditure in which you and I both have responsibilities.

Senator Carter: But you have responsibilities, as I take it, as a churchman, for the morals of the nation. You have the responsibility of changing the values of these people who are represented in these expenditures because if you are going to talk about selfishness, what else is money spent on alcohol or tobacco but selfishness?

Reverend Gordon Walker (Secretary, Division of Evangelism and Social Action, Baptist Convention of Ontario and Quebec): Mr. Chairman, members of this Committee, the church has continually spoken out against tobacco and against smoking, so much so that many members of the public have simply put aside any statements and said that is the church speaking again and simply passed it off.

Senator Carter: Well, I do not think that is a good answer because this is where I come back again to what I said at the beginning. I have got to leave now, Mr. Chairman, but you have got to do more than preach. Surely you have got to get at the heart of these people somehow and it is not enough to just hand out a report that you have concocted and have study groups to study this, if studying that report is not going to do something to the fellow inside so he will say, "By gosh, I spent \$500 last year on liquor and all around me are people living in poverty who could have used that \$500."

Dr. Honey: We thoroughly agree with the senator, I think.

Reverend Norman Berner (Secretary of The Lutheran Church in America (Canada Section)): I think that Senator Carter has been quite consistent in his questioning here. He started out by asking about the presence of poor people in the coalition and the like and Mr. Maxwell mentioned the National Indian Brotherhood and hardly got a chance to mention about the citizen groups that were represented in the formation of the coalition and these were poor people.

You have been around the country and you have run into some very interesting presentations from poor people. Now, I think something is happening to the Committee. It has

been receiving these presentations that the poor people can bring a certain kind of power and affect attitudes of people that have power and I think the poor people are doing this but when they first come before a committee like this, there is a tremendous burst of anguish and the Committee gets defensive.

Then it slows down and says there may be something here. I do not think Lord Acton's saying would apply here about power and absolute power corrupting absolutely. I do not think we need have any fear that the poor people would become selfish in the sense you mentioned.

I think as Dr. McClure said there would be a beautiful balance here because we affect one another in our debates and in our discussions.

This is a dimension that the poor, if they had some voice, if we could give them some power to have speech this is the dimension they would bring.

Now, to come up to your last point on defence. Obviously this sentence or this paragraph from the brief has hit you because you are really preaching to the preachers on selfishness.

Senator Carter: Yes.

Reverend Berner: That is my guess. This is exactly the role of a committee like this. You might affect our attitudes and I think maybe because of what is in here and the exchange that is taking place right now it might help to affect the attitudes of this Committee and that is where something is going to happen and that is why we are here.

Senator Carter: Thank you, Mr. Chairman.

Senator Fournier: Mr. Chairman, monsieur and members of the panel, first I may say I am very pleased to see that the Catholics and the Protestants are joined together in this cause. This is something we have hoped for for a long time. There are a few points here I would like to discuss. I have no grievances at all with the brief. I am fully in accord with your brief entirely as it is. There is always room for improvement in any brief like this one or any others.

[Translation]

Reverend Father St-Onge, you said that we are losing ground and I would like to question you a bit, to elaborate on this subject. You mentioned liberation through participation, with which we all agree, it is a subject that has been discussed on other occasions, and I believe that it is essential. There is also the

change and the attitude of the public; that is another major question which is not so easy compared to others. Before asking my question, I am going to ask it in this way: at present, on Parliament Hill and somewhat everywhere, they speak of environment and pollution. This is a topic that everyone is discussing, anyone can be made to take an interest. When the people are interested, it is easy to discuss the problem.

And there are many people who have become last minute experts, scientists, and are writing books—professors, students, everyone agrees. There is pollution, a project, a situation that must be corrected in the near future. We are all going to die. What strikes me a bit, and this is using Father St-Onge's words, he said we are losing ground. I believe that we are losing ground because there is pollution of society as well. For ten years, apparently, there has been pollution of society—pollution of the society, which we overlooked.

There is a pollution of consciences, there is a pollution of justice. Therefore, all these pollutions, there is morality, there is society, there is the youth and it is a pollution, an almost universal degradation. I believe that it is partly the cause of poverty. That is going to be a very, very difficult subject to correct.

[English]

Mr. Chairman, I am not through but I pass.

The Chairman: I would like the Reverend Berner to speak and then I would like to hear Dr. McClure say something about the abuses of welfare itself.

Reverend Berner: Mr. Chairman and honourable senators, our Lutheran Council has recently introduced a study of the guaranteed annual income which looks very favourably on this as one, not necessarily the, but one of the means of tackling the problems of poverty. Poverty, of course, is not only a lack of money. It is a lack of many other things, but with money one can gain certain advantages that should be the rights of every individual.

We base this on the doctrine of God the fact that God has created all things and put man here to enjoy all things and therefore every man has a right to the things of creation.

Martin Luther puts it this way in his explanation of the first article of the Apostles' Creed. "I believe in God the Father Almighty, maker of Heaven and Earth." And Luther says in a sense this is a guarantee from God that we should have the things for people.

I believe that God has created me and all that exists. He has given and still preserved to me my body and soul together with my raiment, food, home and family, and all my property. He provides me with the necessities of life and the matter that is in me.

Now, I must say he is not deserving but God is the giver. Man, however, is the one who gets in the way of God's goodness. You think, for example, of the parable of our Lord. He told about the rich man who had so much he had to tear down his barns and build bigger ones. He said, "Soul take your ease. Eat, drink and be merry. You have got a corner on the market." God said, "You are a fool." And that night the fool descended in a casket.

Man could not and should not endeavour to gather everything to himself for himself. This is the essence of the scripture. This is the word of the Old Testament prophets. This is the word of our Lord; that we should get rid of the selfish attitudes and part of that will be simply that we must use the means of the law of government to provide that no man shall have less than the basic amount of goods we have in Canada and when I say in Canada I think we should also remember we are not concerned only with Canada but with world needs; that we dare never set a standard in Canada that is so far above the standard that can be attained in other parts of the world.

So I think the churches will say this: that we believe that God has created these things and created them for all men and that man should not get in the way of God's goodness to men.

The Chairman: Dr. McClure, I would like you to say a few words from your wide experience on the abuses of welfare by people who draw welfare. Have you some firm views on that?

Dr. McClure: I do. I have very firm views because I feel that these abuses are very often due to ignorance and you have that vicious cycle. The poor person gets a poor education. He gets a less stimulating environment. To put it frankly, he doesn't know the score and the result is that he gets a very violent reaction to oppression and from that, so he feels it is a game. It becomes a game then. "How can I cheat the welfare and cut the corners; find all the new angles and that sort of thing?"

They have clubs in which they compare notes together. You will see people clubbing together and you hear a new racket. You see it amongst even people in such simple things

as Workmen's Compensation. There are new angles come up, you know. If you are going to imitate this thing, you get this kind of a limp. Now, you are imitating the wrong limp when you go up to your Board and this sort of thing.

You can see them in the out-patient departments, and there are these things but surely this is all a rebellion against something and one of the ways you can educate them—of course we are trying to educate them, one of the things is to take away that irritant against which they are reacting.

The Chairman: Well, doctor, is it an exaggeration of what you hear and what we hear about abuses?

Dr. McClure: No, I do not think that abuses in any of these things—certainly my impression coming back to Canada newly after being 45 years abroad, I have only been back two years, and as I see it in Canada I am sorry to say all this stuff about abuses is a protection for the wallet. It is nothing but effect.

The Chairman: Just a moment. Everybody is going to get a chance to say what they have to say. We have got some senators here who have been very, very loyal to this Committee. There are some that could not be here today. Senator Fergusson?

Senator Fergusson: Mr. Chairman, members of the delegation, I am very grateful myself to those who comprise this delegation for preparing the brief and taking the trouble to come before us and it is a wonderful brief, and I found it most interesting. I read it all and I think the ideas and objectives behind the coalition for development are most progressive and the leadership that has been given by this group in this area and by the Canadian Council of Churches is very encouraging and really exciting, to think that you are really going out into this field and working together as Senator Fournier said.

I think it is wonderful to have us all working together to do this. I think what you are doing is going to reach a great many people. Even if I did question about the papers reaching individuals I do think that through the churches you are reaching probably more people than we could in any other way and making them understand that poverty is a real problem in Canada today and probably our number one problem and should receive our entire priority.

This is the big thing; making the people of Canada realize this. So many people think it is just a lot of nonsense but the work you are doing and what we are trying to do I think is bringing it more to people's attention.

There are a number of things I had noted and wanted to speak about but I think Senator Carter covered quite a few of them. He approached it from a different angle than I would have but he got the answer so there is not much use in my going over these things.

There is one thing I would like to ask, though. I know this was discussed and if your answer was given, I did not get it. I would say first that Canon Wilkinson, who is a friend of long-standing, is the last person I would criticize but he said he did send out the invitations for the Coalition for Development, and I was wondering if when they went out actually any invitations went to the poor people.

Now, the reason I say this is because I know Canon Wilkinson knows there are organizations that are even now putting people on their board of directors who are receiving welfare so they can have their point of view. Have you anybody like this in your group, the actual people who are in need and perhaps receiving welfare?

Canon Wilkinson: I will make a brief answer and refer to Grant, who has more of the detail. A slight correction. I was one of the Steering Committee who made these decisions. I did not do the actual invitations. This was Grant and Father Ryan.

Yes, there are representatives of what are commonly called citizens' groups, people living in poverty on the Coalition. There are two of them sitting on the Executive of the Coalition and money from the Coalition funds has been channelled into their hands as a task group.

We have their initial report now and their plans, with which we are trying to help them, to make some kind of national network of such groups which of necessity are individual, localized things. Their true weight is sadly lacking in visibility because of the local nature of it and what we are seeking to do is to try to help them to get some collectivity that will give visibility and strength to whatever are their opinions.

I do not know what else you would like.

Mr. Maxwell: To elaborate on that a bit, Senator Fergusson, from the beginning, as Maurice said, we have wanted to involve

those who are experiencing economic poverty and aspects of it to begin on the Coalition process but, of course, you do not normally find those persons active in organizations at a national level so even though we are a national Coalition and hoping for regional and local ones to come from it, we did in this case go to local citizen groups here in Ottawa, in Lower Town of Montreal, and had representations there.

We had a large group of about five or six there at our founding forum. One of the committees of our Executive is made up entirely of citizens' group representatives. In both cases the co-chairmen are Mrs. Maitland from Ottawa and Madame Dainneault of Montreal. With the limited funds we have, they have been having meetings with representatives of citizen groups in Central Canada and also had a representative here from Winnipeg.

They are also in touch with their counterparts on the National Council for Welfare which the Department of Health and Welfare set up. Now, it is difficult to work out the relationship. How can the Coalition be of some support to them? Can they give grass support to us? We are certainly working at it and trying to get a breakthrough. The initial distrust on their part is over and the co-operation is there.

Senator Fergusson: You are not just working for them. You hope to work with them.

Mr. Maxwell: Yes; with them.

Canon Wilkinson: I might add the Canadian Welfare Council annual meeting for this coming week has a phenomenally large number of citizens' representatives from all over the country. There are twenty from the City of Edmonton alone, I know.

The registration in advance usually for that conference is four hundred and right now it stands at over eight hundred, so you can expect a large number of them will be from the citizens' groups.

I was talking to Dr. Henry just before I came in here.

Senator Fergusson: I am sorry; my duties here prevent me from being one of the registrants because I would like to be there.

I would like to ask you one more thing on that line of questions. There are a number of organizations that are trying to draw in these sort of people, I know. I have been told by some of them they are really finding there is a practical difficulty. Sure, you put them on

the board and the board is in the habit of perhaps having a meeting then having lunch and then continuing with their meeting.

In the past people attending would find no trouble paying for the lunch, this was easy. Or it might be a little distance one has to go. I know in my experience that I had with one woman, who was very anxious to make her contribution to one of these boards, she just did not have the money to pay her transportation.

Mr. Maxwell: Or the babysitter.

Senator Fergusson: Yes. Are you trying to help these individuals?

Mr. Maxwell: Yes, and to be sensitive to it and make funds available in advance so it is not an awkward thing.

Senator Fergusson: I would just like now to ask you something on page 8 where you refer to Latin America. You say: "The process of liberation is beginning among the young people there."

Could you elaborate a little on that? We have not had very much evidence of this.

Mr. Maxwell: Well, Senator, for information on that we depend mostly on Canadian missionaries and others who are in Latin America. This is particularly the case that I know best in Northeast Brazil, which is one of the most poverty stricken areas where Archbishop Camara is a figure of some international repute now in raising up the issues of justice, contending with the government in power and there is a popular movement beginning among the peasants and also in the urban classes in which Christian leaders are taking part.

How strong it is, I do not know, but all the signs are that it is growing and also in some of the other countries in Peru and Bolivia and so forth.

Senator Fergusson: What is the government attitude toward this?

Mr. Maxwell: In those countries?

Senator Fergusson: Yes.

Mr. Maxwell: Well, in general the government attitude tends to be repressive, to put it down. I know in Brazil Mr. Frey, a protestant leader there prepared a new primer on awakening of conscience and so on. This got in the school primers.

Well, they were withdrawn from the school within about a year because the whole thrust of it was your living conditions are not the will of God. This is the injustice of man. You can change it. It can be changed.

Well, they withdrew the school books but they will find other ways, we hope.

Senator Inman: Mr. Chairman, I read this brief and found it most interesting and I would like to endorse all that Senator Ferguson said with regard to the joining of the Catholic and Protestant churches and their involvement to eliminate poverty.

We all know everybody is trying to do their best.

In your introduction are you saying that there is a different concept of poverty today because disadvantaged people are asking more and even demanding more in services, education and a better way of life; that accounts of an affluent society may be a justification for their demands?

Do you find that this type of poor person tends not to be a member of the church? What objection would they have to going to churches and being members of churches and how are you meeting this question? How do you contact these people to try to get them into the church?

Mr. Maxwell: Well, in the same community, Senator, you will find the affluent parish or congregation that looks very middle class and satisfied and someone else only a few miles away you will find—these are in cities I know—congregations and parishes that are made up almost wholly of persons in lower income groups, often many of them unemployed.

I do not think it is fair to say that the poor have abandoned the church. The church is made up of a mixture of the income classes but it is fair to say unfortunately that most of the policymaking is residing in the hands of those in the middle and higher income groups. I think we have got to bring into the churches, as well as into society, more of the deprived into the main stream where decisions are made.

Now, the others may have other insights on it because it is a mixed and complex picture.

Dr. McClure: Surely in a democratic church you will obviously have your Board of Managers session, whatever you want to call them, will be the people who have made the biggest financial contribution to that church. It is their money that we are distributing. It is

their money that we are dealing with so that they automatically become the session and in a congregation oriented power then this is the way it works out and naturally the poor finds himself not represented on the board.

As far as church attendance goes, I am quite sure some of the poor feel that the church is irrelevant to them and in this way we are trying to tell them the church is interested in them.

The Chairman: That is not the kind of answer I would have expected from you, sir, as I know you, when you tell us that these people who give are in control.

What we are trying to get at and what I thought the whole concept here was that we are not so concerned about the man who had it and the man who gave it but we were trying to involve the man who did not and give him something to say about what was going on at the very top level.

That was our hope and that is what I gather this brief is all about.

Dr. McClure: I think that is our hope, Senator Croll, but I think we have to admit what is the fact. I would be lying if I told you that this was not the situation. This is the situation and I think what we want to do is to stir up, whether you call it the conscience of the nation. We hope we can stimulate the conscience of that man towards his responsibilities towards his fellow man, of the less privileged, ad this is what is going on in the church. This is why the report.

The Chairman: But what I hoped that the report was saying to us is that we are going to involve these people at the top level. I do not care who gives. At the top a church or parish has only so much money, but the poor in there will have something to say about the administration and something about the running and involvement.

Dr. McClure: Yes, sir, but in a democratic church this takes time to process. Are the well-to-do people who have been looking after the church for the past 50 years suddenly going to bring in somebody in blue jeans. I mean, you have to educate that group and ignorance is not a monopoly of the poor.

Mr. Maxwell: Senator, I had hoped we had better be doing this in our churches or we have no business proposing it to you or to the public sector.

Senator Inman: On page 7 do you suggest—it seems to me that you do—that people should not have direction in regard to their lives or manner of living. This is contrary to the general idea of the making of a good citizen, but then again you seem to contradict it in the next paragraph.

I will put it this way, that everybody needs some kind of direction. Is that what you mean there? Probably I have the wrong meaning out of it. Otherwise the law may be disobeyed and everybody has to have direction of some kind.

Mr. Maxwell: Everybody has to live within the frame of law and good order but with justice.

Are you referring perhaps, Senator, to the expression "We want policies which will enable people to seek a full life each in his own way and at his own pace"?

Senator Inman: Yes.

Mr. Maxwell: Well, I think as an aspiration that does not mean there is no frame within which he has to live and operate, but we are saying that each person should have liberty and more opportunity to develop his own talents in his own way.

This does not mean the church would not offer him counsel and that the law would not require in him a certain manner of behaviour.

Senator Inman: I have another question here. It is on page 9 down at the lower part of the page. It seemed to me you seemed to think that voluntary organizations are more effective than paid government employees. What is your basis for this thinking. I quite agree I sometimes think volunteer organizations do get good results but what made you think about that?

Mr. Maxwell: Where is that?

Senator Inman: That is on page 9.

The awakening of the sense of what is possible for man and the responsible steps required to attain it is primarily the task of voluntary organizations, not of government.

Voluntary intermediate groups, including religious bodies, should co-operate with, complement and supplement the efforts of government; and when need be, should also challenge existing priorities and policies in the public sector.

Canon Wilson: It seems to me this follows on, Senator, through what Mr. Maxwell said previously. There is a frame of reference, yes, but the laws, if you like, of that frame of reference need to be such that they enable an individual to be free to develop fully, otherwise if you are insisting on a kind of enunciation, acts, which you can do or cannot do, you are instead developing dependent creatures who are, in my judgment, less than human.

This is why there needs to be this constant dialogue between the citizens who direct their government structures and those who are elected and operate the government structures. They each need to keep the other honest and valid.

Senator Inman: I know in dealing lots of times with disadvantaged people that voluntary groups can get closer to them.

Mr. Maxwell: Yes, at the local level this is often possible and they will themselves form them as we have seen. Mary Caroda has done a study and I am sure you have seen it, to show that there has been over 200 citizens groups, neighbourhood improvement groups, this kind of thing, which have come into existence in the last year.

Well, this is the kind of voluntary effort to which we refer between government on the one hand and all of its agencies and individual here, you have an intermediate group of organizations of many kinds and sizes. Ordinarily it is first through those that the citizen finds his voice and joins with his neighbour to try and improve things.

Senator Inman: That is quite effective with, as we call them, the disadvantaged group.

Mr. Maxwell: Yes. It is taking on an effectiveness right now.

Senator Inman: Some of them have the idea that that person is paid for the job and they are just doing what they are paid for, whereas with voluntary groups they seem to think they are dedicated.

Mr. Maxwell: Sooner or later voluntary groups usually end up hiring someone too if they are successful.

The Chairman: It is a voluntary act.

Senator Inman: On page 13 you say there:

As a kind of third force in the middle position between citizens and government, the Coalition will 'strive to become

a new lever for the elimination of poverty'...

and you go on the next paragraph and you say: "especially through public forums..."

Are the new opportunities that you mention here voluntary groups or will they be paid administrators? You were speaking of the groups.

Mr. Maxwell: The new opportunities—there has not been any thought within the Coalition executive, that I know of, of paid persons in this. Maybe in time we would have a field worker or two but so far we want to limit ourselves to a small bilingual secretariat, perhaps in Montreal and Ottawa, to service the process.

We want to work through existing networks of organizations, not add to the structure. There is enough of that.

Senator Inman: On page 20 one of the stated aims of the Coalition is to mobilize public will. Are you speaking of only those within the church or are you speaking of all Canadians? Your guidelines set out in the inter-church strategy report to implement that at the local level.

Mr. Maxwell: Well, Senator, there is some understandable confusion in a lot of quarters about the Coalition and our report, just because I think of the title. We called it "Towards Coalition for Development" and it was addressed a year ago primarily to the churches, but the Canadian Coalition or league we have started is not just a church thing. The church has initiated it. We are among the partners. There are other organizations listed in the brief. There are more secular organizations, if you want to call them that, than there are churches in the Coalition already.

So in anything we try to do, we are not just addressing Christians alone. This is an experiment that reaches beyond the churches and beyond church co-operation that has just begun.

Senator McGrand: I have just two questions. One is a little question and I will ask that one first.

Senator Carter brought up the question of what is going to happen and what has been happening. He referred to attitudes and structures. It seems to me that the very fact that the churches are getting together and recognizing this problem of poverty and trying to do something about it is a change in attitude that will lead to changes in structure.

Now, this seems to have originated or come into existence in the last eight years and I wonder how much of it is due or has been activated by ecumenicalism? Has it had any influence on the desire of the churches to work together?

Dr. Honey: The ecumenical movement in June?

Senator McGrand: Yes.

Dr. Honey: I think Canon Wilkinson gave a little background there in his earlier presentation where he pointed out some of the roots, for example, on the side of the World Council of Churches of successive rather landmark meetings of the Oxford Conference on church society and the Geneva Conference on church society.

I believe that the ideas which have been generated through these ecumenical meetings and the whole process of preparation for such meetings and the process of disseminating the results of such meetings have filtered through here in Canada and many other parts of the world, and at the world level not only have we been talking here in terms of the antecedence from the council side but from the conference side the developments in the background and the organization...

Senator McGrand: This is a movement that is not going to retreat.

Dr. Honey: I do not think so, and Senator, you know that there is at the world level an organization between the World Council of Churches and the Roman Catholic Church Committee for Society Development and Peace and in a sense, in joining together as the Canadian Catholic Conference and the Canadian Council for Churches here in Canada we are reproducing what is happening at the world level between the World Council of Churches and the Roman Catholic Church and we draw inspiration from these world developments as well as perhaps helping from our side to contribute towards that.

Senator McGrand: Now, on page 9 you speak of the native people. You talk about the aspirations and goals of the native people. This is the only question I will ask and I would like you to develop it as far as you can.

What did you have in mind for the development of the Indian native people? They do not want to be assimilated and they do not want to be integrated into our society to any great extent. How can they obtain the idea of

a free Indian in a nation-wide Indian culture and become part and parcel of the Canadian way of life in the future? How can you develop the Indian a little apart from saying he is a Canadian but he is a Canadian Indian.

Mr. Maxwell: Senator, in the Coalition—and this is where we have been struggling with this question. You pose the difficulty: how can the Indian have equality and at the same time preserve his cultural identity.

In this and in working in the Coalition we are depending on the recommendations of Chief Daiter of the National Indian Brotherhood and the Anglican Church members with whom he is working most closely. What he wants of the Coalition and what the Indian groups want of the Coalition is our support in making known their new paper which just came down this week and the propositions that are there so it is really a matter of giving more publicity and more exposure to their whole position, to sit down with Government officials and work out a new policy.

This was, I think, their main objection to the previous White Paper, that they had not really been consulted in its preparation. They want to sit down with Government and work out a new one. Without going into the details of it, we think they are absolutely valid and right in asking for that and we want to support them. I think Mr. Smith, who is an anthropologist in this field, could speak to it.

Dr. Smith: Mr. Chairman, before I say anything, perhaps I should ask you for a ruling on the appropriateness of any remarks that I make. I am in the rather difficult position of being at the moment an employee of the Department of Indian Affairs in the Northern Science Research Group.

I am not fully employed by the church. I live in two worlds, so I stand here at the moment in conflict. Is it appropriate for me to express a personal opinion?

The Chairman: Of course it is.

Dr. Smith: I have just completed two years of anthropological field work amongst the Indians and Eskimos of the Western Arctic, and it has been primarily concerned with poverty and social stratification.

Many of the questions that have come up here today have, of course, underlain my work from its beginning in the Commission and by the Department of Indian Affairs and later on by the deep commitment that I have come to feel towards this. The question arises

as to cultural identity. I think this was the Honourable Senator's question. How to preserve the cultural identity but ensure participation in the benefits and goods of Canadian life.

These at first glance appear antithetical but perhaps they are not if we really examine carefully what we mean by culture. In the traditional and logical sense the word "culture" means the whole pattern, ways of thinking, feeling and acting of a group of people that they have learned through their experience in society.

This is quite different from the layman's conception that culture means all of these exotic things that one derives as a sort of residual from some peculiar aboriginal history.

I think we can say in most of the native peoples of Canada the latter is gone. This does not deny that they have a culture of their own. That culture, oddly enough in Canadian society has come to be a class culture. It is approximated closely I think in the works of Oscar Lewis and others who describe it as "A sub culture of poverty."

It is true that cultures in society tend to develop new ways of responding to situations, new ways of thinking and feeling and acting so if we ask whether we are going to preserve Indian culture, we really are asking in a sense whether we are going to preserve class culture because the features of that culture are accommodations and adaptations and response to various situations in which people live. The facts of life; babies to bear, mouths to feed and the aged to take care of.

I find myself somewhat in opposition to Dr. McClure's analysis a short moment ago. I am sure he will not object if I express an alternative opinion. He said that perhaps education would cure the abuses of welfare and so on. Well, perhaps it might. In my own experience of living with Eskimos and Indians in the tents and living as much as I could as an Indian or as an Eskimo—it is never complete, of course—I gradually realized that the so-called abuses of the welfare system were the only weapons that these people had.

The people with whom I lived in some cases had an annual per capita income, including the value of wild foods from their productive efforts in the traditional way of life, of about \$300 per year.

Last night I was staggered to note that in the United Church submission to this Committee at page 31 there was an estimated

family budget of poor people in an urban milieu of \$385 a month. This was from Social Welfare basically. The total that can ever be given to an Indian or an Eskimo in the Arctic is \$35 a month. That is the absolute ceiling per capita and in fact they generally have less. I think it is pretty clear in such a situation you are going to work a dodge to get a little more, a little more which may mean the difference between eating and not eating.

The Chairman: Is that not what Dr. McClure said?

Dr. Smith: I think perhaps he did, except he put the focus of it on education. I am suggesting that it is in the very circumstances in which people live and that these so-called abuses are the only defence that people have. That is cultural. That is a learned way of reacting, a learned way of feeling about people that you know have more, not only economically but have contact with the whole field of institutions of the world society.

Senator Fournier: May I ask a question at this time? This is given by whom, this \$35. Who pays that; the Federal Government?

Dr. Smith: Yes.

Senator Fournier: How do they spend this \$35 a month?

Dr. Smith: That is very clearly laid out. In the year 1965 there was a mimeographed sheet posted in all of the trading outlets which said "You may buy so much flour."

Senator Fournier: You may.

Dr. Smith: You may—so much flour, so much sugar, so much tea. No tobacco, no malt, no yeast and the reason for that was to prevent the making of home brew which is endemic in the Western Arctic.

Now, the reaction of the people to a situation like this was to find as many dodges as possible to get around these limitations and conditions under which social assistance is given. Compared to the urban situation in the city, they could probably only be described as oppressive. Given, furthermore, that if a person earns a little—even a little money—by trapping a few rats in the spring, that value is deducted from his \$35.

We are dealing with people who are living in a very marginal existence. That is not typical of all Indians in Canada, but the question that came up today by the Honourable Senator was: how to preserve the culture and

ensure participation in Canadian society? I suggest that the two confound each other because the culture that we see is a product and an accommodation and a response to abject and degrading poverty of the very worst kind of that you cannot ensure the participation of people who live in a state of that kind.

Senator McGrand: You say the Indian wants to escape his poverty but does not want to integrate into the White society. Is that it?

Dr. Smith: Well, let me speak very briefly about the Western Arctic. I do not presume to speak about all of Canada. The realization that they were poor has only occurred since the building of large affluent towns such as Inuvik, the showplaces of Arctic technology which have forced the contrast between the Indian people and all others.

The average per capita income of white people living in Inuvik is \$3,000 per year, something in the order of 5 to 10 times the average Indian person has, and that is free disposable cash. For a native person it is not that.

In this context the native people are attempting to transcend this class identity first by asserting and they are asserting it strongly. Now, this will probably be a point of the transition towards what you want to call assimilation but this is not cause for a *laissez faire* wait and see attitude, because other anthropologists have pointed out that feelings of this kind are extremely dynamic, are free-flowing, can be deflected easily from one goal to another and on the slightest provocation can be unleashed in fears and destructive social action.

I think we know who the victims of that may well be.

Senator Quart: Well, Mr. Chairman and Reverend Gentlemen, and especially my friend Bishop Pelletier with whom I assure you I had most wonderful co-operation during the War; unfortunately I have to leave as there are some people in my office, but I have picked up a few little threads which I think may be interesting.

Someone mentioned volunteers and of course I am all for volunteers and Senator Fergusson and Senator Inman stole my music on volunteers and I quite agree with what I have seen in your brief that volunteer organizations can help tremendously.

Personally I have been a volunteer all my life and I think that Bishop Pelletier will be

able to say ah, in any federated charities, aide aux familles and des combattants founded during the War with three paid employees from the Provincial government and we handled all the budgeting for the servicemens' wives and everything else.

Well, I did not do it but the wonderful committee did but where do you get your funds, or has that question been asked, to publish all these or have you a public appeal or do your 11 churches pitch in and subscribe?

Mr. Maxwell: Most of the time, if you will excuse the expression, Senator Quart, we fly by the seat of our pants. We do not have a large budget at all although the Council and the Conference did make it possible for us to publish this booklet.

In the Coalition we have had voluntary contributions of funds from the Council, the Conference, the Canadian Labour Congress, the Federation of National Trade Unions, Caisse Populaire and a few organizations like this, just enough to get us in business. We do not want to have a large budget, just enough to keep in operation and we think it is possible.

We are going to have to face the whole question at our first general assembly this October. We are convinced by what we have already managed to do that you can achieve a lot of things by pooling the resources you have. The main contribution is peoples' priority time.

Senator Quart: You have no membership? You have no paid membership?

Mr. Maxwell: We have no membership dues now, no, for the Coalition.

Senator Quart: Do you officially recognize any voluntary national organization of men and women?

Mr. Maxwell: Any organization that subscribes to our provisional statement of intentions can be a member of the Coalition.

Senator Quart: Do you charge them?

Mr. Maxwell: No, there is no joining fee.

Senator Quart: You should, I think.

Mr. Maxwell: We might have to have a small one, but at the moment there is none.

Senator Quart: I think it was Senator McGrand mentioning the churches managing to get on together and I assure you that when

Mr. Fisher set up Canadian Interfaith prior to 1967 there were 52 faiths in Canada working together and they did a wonderful job. I think that was proof positive of how you can get on. Is this published in French as well?

Mr. Maxwell: Yes.

Canon Wilkinson: We have some here.

Mr. Maxwell: There are copies here.

Senator Quart: Thank you. I did not see them. By any chance do you have any team of speakers or something going around or approaching national conventions or organizations?

The Chairman: I think they are a pretty good team here.

Senator Quart: Yes, that is fine for us, but do they go to national conventions or national organizations to create a public conscience? Have you any project of this kind?

Mr. Maxwell: Yes. A number in this room and others as well have spoken about the poverty report and the Coalition process across the country.

The Chairman: I have three questions. I turn to page 15 and forgetting about national defence. We are not going to get into that discussion. You make a very potent argument when you point out 60 cents is the per capita cost for public housing, \$13.59 for post-secondary education and \$29.12 for family and youth allowances, making a total of \$43.31 per capita and national defence costs about twice that.

Here you are in the community and across the country and if you do not know what is going on in Canada no one does. An announcement made in Winnipeg last Saturday or over the weekend in which it was indicated that the Dominion Government and the Provincial Governments were on the verge of reaching agreement to slow down the cost of post-secondary education, Medicare and hospitalization.

In the evidence before our Committee, with the exception of maintenance income, education is second and Medicare and hospitalization are almost in the same position. These affect the poor people of this country very vitally. Where is your voice?

Canon Wilkinson: My voice is right with that editorial that you have from the *Toronto Star* in front of you which said this was an

iniquitous way to cut costs in a time of poverty.

The Chairman: I know, Canon Wilkinson, but that is not good enough. That editorial perhaps is a little inspired, but the point is: where is the voice of the church?

Mr. Maxwell: The outcry.

The Chairman: I did not want to say "outcry."

Mr. Maxwell: The protest.

The Chairman: I will get to that in a minute. Here you are involved, genuinely, honestly, and we believe that you are. With this sort of thing before it happens, not after it happens, but when it is likely to happen where is the public outcry?

Mr. Maxwell: In the public arena we are not there soon enough on most issues, I agree with you, mainly for lack of personnel to be there. This means we have got to change our own priorities.

The Chairman: No. This is not involving personnel, Mr. Maxwell. Nobody is teaching the people around this table anything about how to get into the newspapers or how to make protests. Every one of you know. This seems to me to be an unusually fine opportunity to be in a very clear and loud voice saying you cannot allow this to happen. This affects the poor as nothing else affects the poor. This is what I want to know.

Canon Wilkinson: Well, that was a closed conference.

The Chairman: It was carried in every paper. I picked it up in the *Globe and Mail* the first morning. It was in every paper. I did not bring the paper with me but when I saw it myself I did something about it, but I cannot do too much because of my position here at the moment; but where is the public outcry to say be careful about doing this sort of thing?

Dr. Honey: Mr. Chairman, you are perhaps not asking us whether we in a sense officially have registered an outcry but whether there is enough sensitivity across the country in churches that spontaneously this kind of outcry has come up. Is this what you are asking us?

The Chairman: No, it is not. The churches and the people across the country read it and I do not think they fully understood what it

means. You do not expect the man on the street to know but you ought to know because you are concerned with the poor. You know what affects the poor.

Was not this a tremendous opportunity to make your voice heard? In that way you were helpful to them and you are helpful to us.

Dr. Honey: I think that it still is true, as Mr. Maxwell said, with some of us it is a matter really of time. You are quite right. We should have been right on the spot with this, and make sure that our voice was registered, but we cannot be in six places at once unfortunately.

I think I would see this as also a long-term thing. As I was trying to say we have got to somehow create enough sensitivity that the outcry comes up from the people in letters to the editor and in various other ways, in letters to M.P.'s and telegrams to the Prime Minister and so on.

Dr. McClure: I doubt it is a function of the church, Mr. Chairman, to come out the next morning three hours later after each action with the church's feeling on this and the church's feeling on Cambodia and the church's feeling on Biafra and the church's feeling about Israel.

I am not sure it is a function of the church. I regard the church's function is to create sensitivity among its members that they will then behave as Canadian citizens.

The Chairman: Then what has been done with respect to that amongst its members to create that sensitivity. I have said this affects the poor and may affect them immediately.

Dr. McClure: The whole education of the church outside of your doctrinal education, surely with all the literature that went out about social problems and about our racial problems and about our international problems, this is to create that sensitivity. That is what we are after and it is long-term stuff, but it is not for the churches to come out three hours after everything is done and immediately make a statement the church stands for this. The Presbyterian Church stands for that. That is not our job.

The Chairman: Well then, how do you protect the poor when something is likely to be done that will hurt the poor?

Dr. McClure: Take the long haul attitude when you are...

The Chairman: But, Mr. Moderator, the poor have to eat in the meantime. They need hospitalization. They need medicare. They need all these things in the meantime. What answer is that to them?

Canon Wilkinson: Mr. Chairman, one of the things that occurs to me is that your Committee, of all committees, ought to know what the churches have been attempting to say about this both in advance of that action and during that action by the briefs that you have received; the excellent brief from the Moderators' Church. You know, hit very hard and very incisively at the very things which the Finance Ministers, dealing strictly with dollars and saying, we are spending too many of them, let us chop them down—are saying these reports that you are asking us about.

The United Church brief quite specifically said that the poor, those specifically living below the poverty line should have the old-age pension, for instance, increased, and the unemployment insurance, family allowances and all the rest of it.

The Coalition for Development, in this document which was put in your hands, picks up again on this very same theme and again says that this kind of action which the Finance Ministers are taking on purely a dollar value is iniquitive in our view.

The Chairman: That is all I wanted you to say. The brief which was filed is an excellent brief but I do not know whether they ever saw it on the other side. It is not likely they did. Some of the things were reported.

Canon Wilkinson: Let us repeat here then that one of the things that is very strongly here in our minds is that it is utterly wrong to be trying to deal with a balanced budget, for instance, unless you are also dealing with the kinds of things on which you want to spend your money and where on earth is the Willard document? We have known this has been in existence for quite some time.

The longer it remains hidden in whatever cubbyhole it is in on the Hill, the less use it will be. The debate has gone on purely on terms of some ephemeral item which says X number of dollars is what the Government ought to operate on. Who says so?

The basis of the production of wealth in this country has shifted radically from the basis on which it was resting at the time of Confederation. We have got to recognize this. Today Senator Fournier was hitting right on the track with his questioning of Father St-

Onge and what he was getting at was the question of sensitivity or the effects and consequences of the decisions and actions taken by responsible authorities.

A part of this sensitivity to effects of consequences hang upon the consequences of mass media which communicate. What goes on here, the way we sit to the folk in the igloo, the canoe and what have you. We cannot get away from these kinds of consequences. We have got to live with them.

We do have, coming into our hands and you particularly here on the Hill, access to the finest computer technology in the country. These can give us the kinds of retrieval systems for simulation testing and evaluating what we propose to do and it seems to me we have a moral responsibility to use the techniques before we start making them on the basis of our kinds of assumptions. Let us test them for a variety of assumptions and then we have some kind of responsible action being taken.

The Chairman: Now I will get to the second question. My second question is: I would like someone to discuss the work ethic in the light of what may be our society of tomorrow where we give consideration to the maintenance income, work or not work, worthy or unworthy. We have people in that class. In the light of that we have had discussions about incentives and work. Now, what is your view on the work ethic?

Reverend Berner: Mr. Chairman, it seems to me we are coming into a time when work will be less and less necessary, certainly physical work. We have to recognize more the problem of leisure, what man does with his time and his life, apart from the necessary time that is involved in producing the goods of life.

We are also going to have to take into greater consideration the fact of doing creative things, the kind of things a man would like to do rather than what he is forced to do to earn his living and who is to say that a man who paints a beautiful scene does not do a better job than a man who creates a sports car so I think we are coming to a time when we will have to allow people to do the thing that they are best, in their own desire and capability, able to do rather than forcing them to work at a kind of job that is an onerous one. This looks like Utopia but the time is coming. It is with us when there is much more leisure and much less need for in

fact physical work. We have to approach the problem from this point of view.

The Chairman: You did not quite get my question. If there is work that is available the Canadian people are not prepared in my view to pass up and pay a man who will not take the work or will not work for whatever his reasons, unless he is ill. I am speaking about work not being available and we are paying him. What then is the attitude?

Reverend Berner: If work is not available one assumes that there is no work to be done. Therefore why should a man work for the sake of working?

The Chairman: What is the public attitude? That is what I am asking.

Canon Wilkinson: It seems to me, Mr. Chairman, you are implying an assumption that the only method for distribution of work is wealth on the basis of an old definition of work which was, you know, labour of some kind or another.

The Chairman: You are getting to it. That is what I want someone to discuss.

Mr. Maxwell: Is your question, Senator, what is politically possible today in terms of public sentiment and in the way of policy is that in any welfare assistance plan you have to have the work component built in there somewhere?

The Chairman: I am saying that is an attitude that we get constantly. The Americans share it. We share it, incentive and work. Now, what do you think the public's view on that is?

Mr. Maxwell: I think the public may eventually reach Mr. Berner's position, which I share, but the majority do not hold that view now.

The Chairman: What do you mean by eventually?

Mr. Maxwell: How long is eventually? Oh, ten years.

The Chairman: Ten years is a long time.

Mr. Maxwell: I think there will be that much change in our work pattern that we will see that then. Certainly we will have shifted from the physical force where 5 or 6 per cent of the labour force will produce all the goods we need.

The Chairman: Well, let us have someone who will say something about the former attitude on the work ethic as against the present attitude from the church's point of view.

Mr. Maxwell: Well, that is a good question.

Senator Fergusson: Mr. Chairman, there is a gentleman down there who wishes to answer the question.

Mr. Maxwell: Mr. Walker.

Reverend Walker: Sorry, Mr. Chairman. You threw that question out and I was going to make a comment. Perhaps I will try to answer your question. I think the former thinking of people has been that if a person is to get welfare they ought to go out and cut trees or throw stones or do something in a physical sense in order to earn this.

As I listened to Mr. Berner I became concerned about the poor and this new Utopia where a man works at what he wants to work at or what he likes to work at because I still feel that the poor will be disenfranchised. They will not have the opportunity to do what they want to do.

Too many people look at a person on welfare and call them lazy, indifferent, and they do not give them the opportunity for expression, for work, and I think we have some built-in prejudices simply because people are on assistance of some sort. I can see a compounding of the problem because if the opportunity for education is limited by one's financial resources in this world in which we forecast in 10 years time people will be working 24 or 32 hours a week, these poor people are going to be still in difficult circumstances and perhaps even more so than now.

The Chairman: Well, let me try and see if I cannot clarify the question a little. Let me put it to you straight in question form. Is there a responsibility for the government to be the employer of last resort or in the alternative to pay maintenance?

Mr. Maxwell: My personal view would be that as the last resort you should be there to maintain his maintenance regardless of whether a man is working or not, because he has a right to the basic necessities of life. If he lives in a society that cannot give him gainful work or for other reasons he cannot have it then as a fundamental right, to which we subscribed in the United Nations Charter, then as a last resort government at different levels must make available that maintenance to him.

I agree that the total public has not reached that position yet but this is the point that governments and committees like yours and churches have got to hammer home that fundamental right that we have; pointing out that the availability of work is not going to be as great as it was before technology and automation, at least in physical work.

The Chairman: Is there anyone else who would like to get into this debate?

Dr. Honey: Mr. Chairman, I am sure that you are aware that the vast majority of the people on our welfare rolls are not really in a position to work. They are unemployable for one reason or another. I do not have the figures.

The Chairman: That is true. We have the figures and you are quite right.

Dr. Honey: I know I have seen figures for studies done in the United States where it turned out that about 1 per cent are unemployable.

The Chairman: Our figures are very near that percentage.

Dr. Honey: So I think this is a myth that needs to be dissipated on the part of very, very many people, that people on welfare should get out and work if they had any gumption. I hope your Committee will say very clearly to the general public this is not true.

The Chairman: Has anybody else any views?

[Translation]

Father St-Onge: A while ago, when I spoke about a setback for the under-developed in the 60's, I was referring mainly, I had in mind the Third World, and I think it was the Pearson Report, unless I am mistaken, which described the setback in this field for the Third World and I had my reservations about Canada because I did not have figures and recent studies.

Now your main concern is the degradation of society and it seems to me that you were drawing a parallel between degradation in the area of poverty and the pollution of society. And you spoke about the pollution of consciences, of justice. I do not know whether I would be as optimistic, pessimistic, pardon me, on certain point. It seems to me that we are making progress in certain areas. I see the efforts being made at present in the Church up-dating certain values which were

previously neglected in order to gain a better understanding of the human values which we have perhaps overly neglected. I take one like liberty, for example, or, I could take human dignity. I would not be prepared to say that we have lost ground in that respect, I believe that we are regaining some, and simply because there is an awakening of conscience occurring now, and then people do not let themselves be oppressed easily. We see all these protest movements, and I personally would say that they are more positive than negative on the whole. We find extremists of whom we do not approve, but on the whole, I believe that it is a healthy movement and it is man who is again becoming aware of his dignity.

Question on the pollution of justice, there, I am not in a position to make a statement, but in the world today we are experiencing certain phenomena which pass. I have one at present, that I have followed in union circles, for example, where I go, three forces have united to crush a union. You have the police force, the money force and the political force. They have joined to crush a union. There I might also ask questions on the pollution of justice, or on the conscience of money. It also seems to me that all those questions should be brought back. A while ago, someone noted, is it more urgent to bring back the structures than the methods, than consciences. The two should go together. I think that we should also start with this conviction that the privileged will not give up their privileges unless they are forced by others to tell them that they must leave room for someone else. And if it is there that we should see action today, in the area of structures, the fact is that we too—let us be at least aware that the poor also must have their place in society, must be present at the decisions which concern them, and perhaps remove a bit of the privilege from those who presently hold all the power.

Senator Fournier: I am going to ask you another question. Thank you, Father.

Is there not developing in our society at present—I personally believe, I have no objection to giving \$100, I am using a figure, to the poor provided that it is well spent; but if I give it to a family that wastes it, I will not have the same attitude towards that family as I had before making my contribution. We have lived, we have seen tremendous abuses being made in welfare, the abuses, and I believe that reflects to some extent on the people.

Get everything you can, it does not matter, it belongs to the government, it is ours. It is a mentality which has been shaped in society and that is widespread, perhaps more so than you think. There is no doubt that, as parish priest, you are aware of those things. Therefore, on these questions, you will be able to give your opinions, which would enlighten us a bit.

I would like to ask you here, do you think, for example, that one could, with a minimum income, without mentioning figures, that one would solve the problem of poverty, if we took the prior person and gave him a minimum, an income, let us say, of \$4,000 a year, since he is not prepared to better his lot, as they say. One could say that there are thousands of cases who receive welfare, who abuse it in every way possible. Will he be given this increase, is he going to take advantage of it to improve his lot, or is he going to abuse it?

Father St-Onge: Sir, I believe that you felt in the brief that the committee that prepared this brief is justly concerned, and it does not want to bring the problem of poverty back to an economic question. You felt it, that there are other human needs that must be taken into account. But I believe that we must get in the frame of mind, in 1970, whereby there are fundamental human needs which must be given to the individual, namely, an individual's right to live a decent life on the threshold of society. And all those who live below that should not accept that situation. And then, unfortunately, we have too large a number of cases who have to live in sub-human conditions. In view of the fact that Canada has the means at least to bring them up to that level, we have to make the necessary effort. I understand as you do, for example, that it is not enough to give money. Those people must be educated so that they will fill their own fundamental needs, their own essential needs in life. That does not mean that a minimum income would guarantee a solution to the problem automatically; I know that.

I also believe that we should not say: those people are not capable of handling their money, therefore, they will not be given any and they will be left to live in sub-human conditions.

At present, I believe that people still want to work, that is part of the concept of life, they want to earn, to be independent. Perhaps in a few years, that mentality will change, people may, if they are not capable of working, depending on the opportunities that pre-

sent themselves, they will accept living in a system, in a leisure society, I do not know. At present, I believe that certain laws should also be questioned, laws which give bonuses for laziness and idleness. For example, I refer to certain social assistance laws which penalize people who would like to work, since they would cut off their welfare allowances. I believe that such laws should be questioned. We should not go to the other extreme either; forcing people to work, to do work they are not capable of doing, for which they are not prepared. I believe that there should be a middle way between the two in order to accommodate human dignity, the aspirations of the people, and also to meet the social and economic requirements of a country.

[English]

The Chairman: Well, I think it is well to know that the law of the land and the law of the country is that need must be met. It is not met in the way we want it to be met or in all places so there is no point in going to the United Nations looking for assistance. It is on our statute books. We do not meet it, of course, and that is one of the difficulties that we have to face.

One of the things that is bothering the Canadian people is the handing out of money without getting something in return. They have got the wrong impression that far too many people are ready to take a handout without wishing to work. It has been drummed in over a period of years and it is hard to get rid of. As you have indicated, about 1 per cent of the people on welfare are capable of working. How do we meet that? You do not change that view overnight.

Reverend Walker: Mr. Chairman, I wonder if the new contracts which labour are working out with management might not help a great deal to change this. The concept of the 32-hour week now is in actual existence with one labour union although it seems radical to some people.

The Chairman: Reverend Walker, 30 per cent of the labour force is unionized only. 70 per cent is not unionized, and you are getting to the root of the problem but that is the great difficulty that we have to face in this country.

I once heard a statement to this effect: "Those who march on the picket line do not march on the bread line." I think there is a lot of truth in that.

Reverend Walker: I was thinking more, sir, of the concept of education which you were

implying in your question, the changing of the attitudes of people.

Mr. Maxwell: Senator, is it not true that our welfare laws have tended to discourage work on the part of recipients and the Nixon administration, for example, in the United States is trying to build in more of a work income component and allow a person to earn more before you deduct their welfare benefits.

It seems to me there is wisdom in moving in that direction and you would have the data to make that judgment. What do you think?

The Chairman: That is the law of the land today in nine provinces in Canada. At the present time they can earn, but as Senator Quart points out, they do not give them sufficient deduction.

Mr. Maxwell: No. They can earn a little.

The Chairman: They can earn a little but he doesn't earn enough. We have to hurdle that by coming up with some provision for maintenance that overcomes that.

Senator Quart: Mr. Chairman, may I just interrupt for a moment. We have had groups come before us, you know, that have substantiated the objection which I have that these people if they accept the job are cut off. All right, that is a little deduction but then they cannot get back on sometimes. There is one woman I remember sitting there who said she could not get on welfare again for three months.

Now, another thing. We are talking about the employable poor. Well, I can assure you that it is pretty difficult to even get people to cut the grass or do anything, and believe me I know what I am talking about just now. Our club where I live has been trying again and it is the same old story; they cannot do it because if they come and take a job for us, even if they are paid under the table and the rest of it is hush-hush, you cannot get them.

The Chairman: Senator Fournier, you had something else?

Senator Fournier: No. I was going to ask what the church could do to change the public attitude but we have been discussing that for the last half an hour and I think that is sufficient.

Reverend Walker: I would like to add one thing, Mr. Chairman. I was wondering what your opinion was on this question yourself...

The Chairman: On what?

Reverend Walker: On the work ethic. I do not want the answer. I did not hear anyone say this and I think I should just add it. Granted we are talking about the employable unemployed and Dr. Honey made the point about being precise on the small number. Father St. Onge and Mr. Maxwell and others made the point that there is something strange in our welfare now when a man wants to work and cannot work because when he does he makes less money.

The point I would like to make is that I think it would be the unanimous opinion of this representation here today that a man should work. It is in keeping with his dignity that he work and in answer to your blunt question as to whether the government should not be the employer as a last resort I would say the answer is "Yes" if it means giving some dignity to a poor person because a man cannot be in that unemployed category, living around the house, hanging around the neighbourhood and seeing everyone else living a kind of normal life and not deteriorate really badly in many ways and that is why I emphasize the dignity aspect.

So I would say we strongly support the work ethic, if that is what you had in mind by your question.

The Chairman: Yes, we had. The Vanier Institute came out flatly and quite clearly on it and I gather from the brief of the Deputy Minister of Welfare, if you read that brief completely—that he left that very impression with me. I think others got the same impression.

Senator Fournier: Perhaps we should not overlook the point that Father MacNeil made, which was right, but there is the other side. Sometimes a man walking along the street killing time makes more money out of welfare than if he had a little job. This is a flaw in the government organization.

* We cannot go into that now because we have not got the time. He is paid for not working.

The Chairman: He is talking about very low minimum wages and less than minimum wages and you know that as well as I do. I think you are quite right. Let me just say that what you very distinguished people have done is a very forward step. You have come here with a deep and vital concern for people and with a sense of dedication. I think the

steps that you are taking are meaningful steps and will help the poor.

You know, if you involve the poor within you you are not going to be able to keep quiet about a great number of things that you are now doing. The poor have methods of expression that you may not adhere to. They think that public statements, a little picketing now and then, a little harrassment now and then, may get some results. I wonder when those poor are going to get on your board how you will react to that sort of thing. My own feeling is that I thought it would be good for you.

Senator Carter has a question.

Senator Carter: When you talk about involving the public as something that has got to be done, I had an idea and I want to test it out to get your reaction to it. Families will adopt orphans in Korea and look after them. Could we not have this idea here among the affluent people? We live in a rich and poor community. Could the churches propagate this idea and implement it or is it worth thinking about?

Canon Wilkinson: Some can and some cannot. It takes a skilful person to be able to do it.

Senator Carter: I am not talking about churches. I am talking about people as members of the congregation, but to have the church stand behind it and try to encourage it.

Dr. Honey: You are speaking of adoption in terms of accepting financial responsibility?

Senator Carter: Yes, I am concerned with the idea. Change the word "adoption" and say "take the financial responsibility for it."

Dr. Honey: This would mean that that person has to go up in his neighborhood having people know he is in effect a ward of some organization.

Senator Carter: I do not think he would necessarily have to be that. It all depends how you do it. I mean, if you are going to go out and advertise it, sure, but cannot we do things on the quiet any more? Does your right hand always have to know what your left hand is doing?

Dr. Honey: That is not in that category.

The Chairman: Careful, Senator. While you were away I was giving him a bit of a do about keeping too quiet, so now you are asking him to keep quiet.

Senator Carter: No, I am not saying they should keep quiet. The person who was going to get involved does not have to advertise it.

The Chairman: I see what you mean.

Mr. Maxwell: I think a lot of that kind of thing is going on anonymously now.

Canon Wilson: But the catch is you have to do something about changing the system that brings about this dependency.

Senator Carter: You are getting on thin ice again now when you talk about changing the system. I would like to get your comments on this. Lord Acton said "To expect a change in society may be an act of faith but to expect a change in society without a change in human nature is an act of lunacy." I would like to get your view on that.

Canon Wilkinson: Like so many others of his sayings there are grains of truth in them. Organizing people who are concerned to discover what power they have when they exercise their votes can in fact start to bring about political leverage that can bring about the changes they are after. They may not go in the direction they really want by the time they get there, but the changes are going to be made.

Senator Quart: What I was going to suggest, Mr. Chairman, to Senator Carter, was that what difference would there be if you received an SOS from one of the churches and you gave a donation to their fund and then you eliminate any idea of saying there was any dependence.

Mr. Maxwell: Yes, do it through a third party.

Senator Quart: Yes.

The Chairman: Is there anything further.

Senator Carter: No. I just wanted to get their reaction to it. I am not sure what the reaction was.

Mr. Maxwell: We are pondering it.

The Chairman: He says they are pondering it.

Mr. Maxwell: May I call on Bishop Pelletier?

The Chairman: Has everyone had a chance to say what they want to say here?

Dr. Honey: I was going to say further to Senator Carter, one does not expect fundamental changes in human nature. I do not know whether that is what Senator Carter is talking about.

We are dealing century after century with the same fundamental concept of human nature and changes can take place in individuals, changes about conversion, if you will, changes of orientation, but generation after generation you are dealing fundamentally and you start afresh with the same kind of human nature.

Now, systems come and systems go. We have systems of social organization which attempt in one way or another to cope with the stuff of human nature and keep it under control so a reasonable degree of justice is assured.

It is possible to change the moral climate in a given situation which makes it possible and makes it easier to generate the moral will and bring into being the kind of system which will achieve a greater degree of justice in our society.

This is not the same thing as changing human nature.

Senator Carter: Well, it is part of it, but there is one item here I want to pursue. The structures and systems we have now, it is a case of which came first, the chicken or the egg. The systems and the structures we have now reflect the attitudes and the prejudices and whatever is inside a human being and

you are not going to change it from the top down.

What I interpreted your brief as saying was if we change the structures and so forth that eventually people are going to change. I would say it should be the other way around. If you want to change the structures you have to change the people first.

Mr. Maxwell: We are saying we have to work at both simultaneously, Senator.

Senator Carter: Oh, yes, but you are looking through the wrong end of the telescope, according to your brief.

Mr. Maxwell: May I call on Bishop Pelletier to speak for the delegation?

[Translation]

Monseigneur Pelletier: It gives me great pleasure to thank the committee for receiving us this morning.

[English]

I note from the very beginning that we were in a very sympathetic milieu and I am sure this morning together we have given an example which has been very fruitful and very promising of what exactly the Coalition for Development is.

Another thing is that this morning together we have put seeds in a very well fertilized field with a hope of one of the richest harvests for the benefit of the poor in our country and abroad. Thank you everyone.

The Chairman: Thank you, gentlemen.

APPENDIX "A"

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- B CANADIAN COALITION FOR DEVELOPMENT, Minutes of Founding Forum, March 13, 1970
- C COALITION BROCHURE

INTRODUCTION

Everywhere in today's world of destructive/creative chaos, people are in a hurry to be fully alive. Youth and the poor especially want to have more, know more, and do more so as to live more. They are seeking freedom from daily want, a share in social power, and a better quality of life now. The deprived are saying to the privileged, "Damn your charity, give us justice!" Those in need are impatient because there is no longer any valid excuse for injustice and discrimination. Abundant resources and technical know-how can provide necessities and opportunities for all—given enough moral will and political courage. Hence the great expectations. Hence the revolutionary mood because these expectations are frustrated.

—Interchurch Strategy Report
para. 1

We are here in response to the sign of the times described above. We acknowledge that the churches of Canada—various groups of Christians—share in the collective responsibility for human want in the midst of plenty, both in this country and the nation named Earth.

Because we stand in the Judaeo-Christian tradition we must assume the duty to be watchful critics of society in every time and place. For we believe that only God is perfect; only on Him can men ultimately rely,

and only to Him can men commit their unconditioned loyalty. To accept human laws and institutions as beyond criticism is to idolize them. On this point the Bible enjoins us to be radical questioners of all earthly authority. "You must judge whether in God's eyes it is right to listen to you and not to God." (Acts 4,19)

We share also in the responsibility to seek solutions to social injustice. In this we are in the tradition of the great prophets of Israel, who insisted that men's first duty before God is "to break unjust fetters...to share your bread with the hungry and shelter the homeless poor..." (Is. 58,6-7) Christians should pay particular heed to this prophetic injunction, and suffering humanity expects that we will, since we claim to follow a Servant Lord who lived and died for others.

In the past Christian groups have been social pioneers. It was religious agencies, for example, which started many of the first schools, hospitals, and welfare programs before such services were widely accepted as public responsibility.

Can churches in Canada again serve as social pioneers in the technical society of today? In recent years Christian leaders have been searching for new social strategies. One product of that search is a practical program for united action in the 1970s. It is contained in the Interchurch Strategy Report entitled *Towards a Coalition for Development* (which is included in the documentation). Since its publication in May, 1969, some 50,000 copies

of this report have circulated across Canada. In response to the report, Christian groups in growing numbers are taking stock of their resources and making new social commitments.

This submission represents another step in our continuing search for effective social strategies. We offer some further insights, and report progress to this date in an "experiment in pluralism"—namely the Canadian Coalition for Development. This new working partnership of religious groups and a wide range of other intermediate organizations in the voluntary sector was initiated by the Conference and Council.

Respectfully submitted,

Canadian Catholic Conference
Executive Committee

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The Salvation Army
Col. Wm. Ross

The Society of Friends
Mr. Fred Haslam

United Church of Canada
Rev. Dr. E. E. Long

Lutheran Church in America-Canada section
Rev. Norman Berner
and eleven other members.

June, 1970

1. A PERSPECTIVE AND TWO WORKING NORMS

Most of humanity is still caught in the trap of poverty. The gap is widening between the rich and the poor nations, between the affluent and the deprived within each nation. In Canada, the "Just Society" is still a dream. The reality is a disgrace, which sees 4,000,000 to 5,000,000 Canadians enslaved by economic and social want. Public priorities still put the power of money before the needs of people.

—Interchurch Strategy Report para. 2

Already you have received many definitions of poverty; we do not propose to offer another. Instead, we endeavour to situate the problem of poverty within a vision of man and society, taking into account some of the human values and aspirations which many Canadians hold.

Most definitions of poverty betray an economic preoccupation. Certainly bread comes first, but human need encompasses much more than bread. Most definitions of poverty also offer an antiseptic and detached description of a human tragedy which cries out for passion and compassion. Nor do most definitions recognize that poverty in some sense afflicts all men. As the Interchurch Strategy Report of May, 1969, said:

Poverty is the sum total of human needs and hungers. In this broad sense all of us are poor. The majority of mankind is denied even the basic necessities of existence. Under present priorities, arms before aid and money power before people's needs spell poverty for most. The majority is enslaved by a conspiracy of circumstances, cut off from adequate opportunities to better their lot. This human misery is indivisible in the nation

called Earth. Our neighbor is every man whose need we know and whom we can assist, whether he lives "at home" or "abroad".

—ISR, 16

The same report attempted to broaden and humanize the popular concept of development, stating:

Development is the process of continuous human growth, the integrated sum of human achievements and satisfactions—economic, social, political, cultural, and spiritual. Human development policies involve new approaches and new social priorities... This process opens new doors to participation in decision-making. Development policies set people free to seek a full life—each in his own way and at his own pace.

—ISR, 16

We agree with this description as far as it goes. However, it does not quite break away from the prevalent motion which sees development as an almost mechanical and inevitable process involving an efficient blend of education and technology. The definition does not point out that existing social systems have built-in biases which tend to perpetuate inequities. Nor does it acknowledge that justice demands nothing less than the creation by the people of new social structures in harmony with human fulfillment.

For these reasons, we prefer to speak of humanity's escape from poverty in all its forms as a gradual process of liberation.

Liberation, first of all, involves the rejection of popular myths which now comfort the powerful and deny justice to the weak; the myth that public education is neutral, when in reality it is geared to the "success formula" and designed to preserve the status quo; the myth of "scientific objectivity", which tends to treat existing social practices as immutable laws; the myth which holds that the deprived are intrinsically inferior ("lazy", "unstable", etc.), when in reality they are kept powerless and voiceless by a conspiracy of circumstances favoring those already established.

Liberation is a constant biblical theme. The Scriptures speak of men's longing to be liberated from the slavery to which human sin has subjected them: misery and violence, oppression and ignorance—in a word, that injustice which has its origin in selfishness. The "hunger and thirst after justice" of

which the gospel speaks anticipated the profound yearnings of contemporary humanity for an end to war and exploitation; for a halt to all those policies of madness which enslave mankind, pollute the environment, and even threaten life on Earth.

In interpreting this hunger of the human spirit for liberation, modern Christian leaders have called repeatedly for fundamental reforms to "reduce inequalities, fight discriminations, free man from various types of servitude and enable him to be the instrument of his own material betterment, moral progress, and spiritual growth". (Paul VI, *Development of Peoples*, para. 34) Youth and the oppressed especially long for opportunities to realize their dignity as children of God; for opportunities to become "new men" who are masters of their own life and makers of their own history.

Obviously, then, any educational or economic program which would have people simply "fit in" with the present technological maze and political muddle is not true liberation. Authentic policies of liberation will enable people to seek a full life—each in his own way and at his own pace in the company of his neighbors. The challenge of liberation is to enable persons now entrapped by circumstances to spring loose, to discover their potential, to seek opportunities for change and growth, and to assume the primary responsibility for their own future and share in building a just society.

This requires organization—new power groupings which give the deprived a public voice and an active role in decision-making. This in turn requires new attitudes on the part of the present wielders of public power, and in time, new social structures and methods which facilitate rather than handicap the quest for freedom and fulfillment. This involves contention, conflict, and suffering—the price necessary for human progress paid by such men as Jeremiah, Francis of Assisi and Martin Luther King. It is a price well worth paying. The prize is fullness of life.

It may seem naïve to foresee a day when virtually every person can become an active participant in the policy-making which affects his life. We call your attention to the emergence of articulate leaders among Canada's first native peoples and the remarkable growth of citizens' groups during the past year. These signs of the time indicate "new power" is fast becoming a reality.

In Latin America, meanwhile, where social inequities are much greater than here,

a process of liberation such as we have described is beginning among the common people with Christians among the pioneering leaders. And throughout the world there are new stirrings among students, workers, professionals and intellectuals.

In any case, we are not afraid to be hopeful in proposing a new vision of man and an open future for humanity. Surely a new perspective is called for when existing systems keep 80 per cent of humanity enslaved by want, including as many as one fourth of all Canadians.

We believe two working norms follow from this perspective of human liberation and social development.

(1) Full development depends on both the public and private sectors

We acknowledge and emphasize that public authorities have the major responsibility for advancing and coordinating the common good of the people. Today only governments have the powers and resources to initiate and sustain balanced development.

Nevertheless, we challenge any assumption that policies of development should be decided exclusively within the narrow confines of partisan politics. And we challenge any assumption that public agencies of government alone can overcome poverty and achieve social progress. Programs which are planned and executed by governments alone have yet to show that flexibility which meets the diversity of local needs.

More important, it is imperative that each citizen, poor as well as rich, join in the search for a better quality of life. Poverty does not consist solely in economic hardship; it entails the erosion of human personality, the cramping of a person's sense of what a full life can mean. To combat poverty, then, it will not suffice for the public sector to hand out money. Each person must learn to discover and articulate his own needs and seek to fulfill them.

The awakening of the sense of what is possible for man and the responsible steps required to attain it is primarily the task of voluntary organizations, not of governments.

Voluntary intermediate groups, including religious bodies, should co-operate with, complement and supplement the efforts of governments; and when need be, should also challenge existing priorities and policies in the public sector. Thus voluntary organizations of citizens will exert an essential countervailing presence".

However, the effectiveness of the voluntary sector is impeded by fragmentation, duplication of effort, and excessive internal housekeeping, such as maintenance of structures and fund-raising. Among other reforms, there needs to be a united effort which pools limited resources and personnel.

(2) New working partnerships are required

We are more than ever convinced that the Interchurch Strategy Report of May, 1969 was correct in calling for new working partnerships in the intermediate sector to help win the long war against want. As it said, "Such a 'coalition of concern' exists, at least potentially, in every community" (ISR, 24). The report recommended that the Canadian Council of Churches and the Canadian Catholic Conference should try to initiate such a coalition at the national level (ISR, 58). In June of last year the executive officers of the Conference and the Council accepted this recommendation. Since then senior staff of the two bodies have been engaged in this new undertaking.

The results to date are described below. We invite your comments and encouragement in this social pioneering; it is at once evidence of our hopes and our commitment to share in the progressive development of Canadian society and the global community.

2. THE COALITION EXPERIMENT

...Wide participation is the key. When many more people share actively in decision-making, new social priorities will emerge for building a better society...

ISR, 20

Last summer the idea of a working partnership of churches and other intermediate organizations in the voluntary sector was explored with national leaders of business, co-operatives, labour, welfare and related fields. Their responses were favorable—provided that this co-operation did not involve yet another superagency and assuming an open-ended, *ad hoc* approach was taken.

A bilingual meeting of potential partners took place in Ottawa during October to explore the possibilities further. The leaders present readily agreed that their groups and others should work together to promote social development. They also reached consensus on three priority goals requiring united action—

tax reform that gives a fair deal to low-income Canadians; effective co-operation with new citizens' groups at local levels; and a greater Canadian role in world development. At a December meeting, a fourth priority goal was selected—united support of native peoples.

Further exploratory sessions were held in Montreal and Ottawa early this year. At the same time a bilingual task group was devising a flexible mode of operation for the proposed partnership, and was selecting possible action strategies on the four priority issues.

The bilingual Founding Forum for the Coalition was held in Ottawa on March 13. Representatives of more than 30 national organizations, plus several citizens' groups, approved a "Provisional Statement of Intentions" for the Coalition, endorsed action strategies for 1970 based on the four priority goals, chose a representative executive, and authorized the setting up of small action bureaux (MINUTES of the Founding Forum are included in the documentation).

Besides this Conference and Council (including most of the 11 denominations making up the Council), partners in the Coalition include the Canadian Chamber of Commerce, Canadian Council for International Co-operation, Canadian Labour Congress, Canadian Welfare Council, Catholic Organization for Development and Peace, Confederation des Syndicats Nationaux, Co-operative Union of Canada, Federation des Caisses Populaires Desjardins, and the National Indian Brotherhood. Prospective partners include the Canadian Association for Adult Education, Canadian Association of Social Workers, Canadian Jewish Congress, Canadian Metis Society, Indian-Eskimo Association of Canada, Mennonite Central Committee, and the National Farmers Union.

The Provisional Statement adopted at the Founding Forum describes the nature and spirit of this "experiment in Canadian pluralism". The Coalition functions as a working partnership of organizations "which meet on the common ground of shared human values" to carry out specific actions together. The partners make policy and take action through consensus—usually with the most competent partner in a given project taking the initiative and providing key resources. Partner organizations are free to "join in or opt out of any specific program, but not to interfere with the independence of the Coalition". Details of this open-ended style of joint operation are being worked out on the job.

As a kind of third force in the middle position between citizens and government, the Coalition will "strive to become a new lever for the elimination of poverty" and for the promotion of a better quality of life. Especially through public forums, and with the co-operation of the mass media, the Coalition plans to "offer new opportunities for more Canadians to participate directly in public dialogue and decision-making". This emphasis on participation is evident in the priority action strategies the founding Forum selected for 1970. As the MINUTES of the Founding Forum record, these include:

*Tax Reform: In the near future hold a national forum and "peoples' hearings" across Canada to recruit public support for various tax reforms of benefit to low-income Canadians... If a consensus is reached the Coalition will make a joint presentation to the federal government and Parliament.

*Citizens' Groups: At the local level, partner organizations are to urge their members to "plug in" with citizens' groups and help start community and regional coalitions. Nationally, the Coalition is ready to serve as one clearing house for information and resource material wanted by citizens' groups.

*Native People: Join with the National Indian Brotherhood and like organizations in their efforts to have a direct voice in federal-provincial policy-making on Indian-Eskimo-Metis affairs. Have the Coalition Executive make direct appeals to federal and provincial governments.

*World development: Take definite steps to mobilize public opinion in favor of a greater Canadian role in world development... Possibilities suggested: prepare a critical analysis of the Pearson Report, Partners in Development; organize a national forum on world aid and trade policies.

It remains for the partners to make the Coalition work. The united actions attempted and the public impact achieved will reveal whether this new partnership is an authentic social force. The Coalition will succeed in the measure that it brings more Canadians into the policy-making process, from which new priorities for building a just and compassionate society emerge. This in turn requires the formation of voluntary coalitions at local, provincial, and regional levels. An Alberta

Coalition for Development is already functioning. We understand local coalitions are in the process of formation or in prospect in several major cities.

3. FIRST PRIORITY:

SOCIAL POLICIES TO GUARANTEE BASIC RIGHTS

To return to the pre-eminent role of public authorities in the continuing process of social development: Canada has abundant resources, a viable economy, and technological know-how. Yet this nation still has a long way to go before it can call itself a Just Society in which people's well-being is given first priority. Existing priorities must be out of joint when as many as one-quarter of the citizens live near or below the "poverty line".

There is supporting evidence that public priorities are awry. For one thing, \$1.8 billions is allocated annually for "national defence" while only about one-sixth of the amount is earmarked for the more positive works of development in the Third World. Domestically, based on estimated expenditures for 1969-70, the federal treasury is allocating 60 cents per capita for public housing subsidies, \$13.59 for post-secondary education, and \$29.12 for family and youth allowances, making a total of \$43.31 per capita, compared to nearly twice as much, \$86.22 per capita, for that "national defence" budget.

When basic human needs are given first place in federal spending, policies to guarantee fundamental economic and social rights will take priority alongside improved legislation to safeguard the civil rights of the powerless, and existing legislation which guarantees political freedom and bicultural rights.

We are aware that some federal spokesmen point to the difficulty of reaching a national consensus on economic and social rights. This difficulty is a challenge to leaders to lead Canadians towards such a consensus. How else can this nation begin to realize in practice what Canadian representatives accepted in principle when they assented to Article 25 of the 1948 United Nations General Assembly's Universal Declaration of Human Rights:

Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his control.

To guarantee such basic rights, what do we favor in the way of economic and social policies? Rather than reiterate what has already been argued well, we record our substantial agreement with the comprehensive approach and most of the proposals found in the brief presented to you April 14 by the Board of Evangelism and Social Service, United Church of Canada. We respectfully recall to your attention certain specific recommendations:

(1) To meet an urgent immediate need, Parliament should amend the Old Age Security Act so as to allow regular increases in benefits which at very least will keep pace with actual cost-of-living increases. The Guaranteed Income Supplement also should be adjusted upwards. Why should senior citizens, who have contributed so much towards the building of Canada, be expected to bear a disproportionate burden in the struggle against inflation? Why should their pension benefits lag behind, especially when elected representatives in the other Chamber recently assured themselves of generous pension provisions?

This amounts to a shocking disparity of treatment. It would be intolerable if the present session were to adjourn without taking remedial action to ensure at least this measure of justice to senior citizens, who are among the most deserving and yet most vulnerable groups in Canada. Indeed, fairness demands parliamentary action to ensure that the pensions of senior Canadians keep pace with increases in national productivity.

(2) In this session Parliament should amend the unemployment insurance program in order to provide a wider range of coverage and increased benefits, so that recipients will not be pushed towards or over the "poverty line". Continuing inflation and relatively high levels of unemployment, particularly in some regions, demand action now.

(3) Concerning income-maintenance policies for the near future, we are in general accord with the position advocated April 14, including the proposal "that en route to a guaranteed income program for Canada, the federal government should consider a major improvement in family and youth allowance benefits", which would be treated as taxable income so as "to maximize the benefit to the poor and the 'near poor'... while also

maximizing recovery ...from those who do not need them".

(4) We concur with the same brief—and also with our Coalition partner, the Canadian Welfare Council, in its submission June 4 to the Standing Committee on Banking, Trade & Commerce, that social policy and tax policy should be "harmonized". Positive social policy and fair taxation go together as two sides of one coin. How and in what amounts tax revenues are raised and how they are spent should be considered together.

Concerning taxation, we welcome the federal government's initiative in proposing reforms in its White Paper of November, 1969. How these proposals will affect lower-income Canadians, who now bear a disproportionate tax burden, should be a main focus of public and legislative attention. We also believe other tax reforms are required in federal, provincial and municipal levies. Nevertheless, bearing in mind the two sides of the coin, no matter how fair taxation may be it cannot be a substitute for social programs designed to guarantee basic human needs. In this regard, one of the main purposes of all tax reform should be to increase revenues for more public investment in the development of Canadians, Canada, and the global community.

A key question to be asked, therefore, is whether the revenues foreseen under the federal tax plan would provide an adequate share of funds for the development programs needed two or five years from now. In any attempt to answer this question, however, the proposed tax reforms should be examined alongside the promised White Paper on federal social policies. Unfortunately, this second White Paper (the so-called Willard report) has yet to be made public at this writing.

In the interim, we want to stress this: even if Parliament enacts more equitable tax measures, their effects could be largely negated if the collected revenues are used to finance public conveniences for the affluent (superhighways, airports) ahead of essential services for the deprived (income-maintenance programs, lower-cost housing, education opportunities).

This consideration brings us once again to the heart of the matter—the making of social policy and the setting of social priorities which "affirm persons".

Something other than a mere perpetuation of existing economic and social policies, with their escalating costs, is needed. "More of the same" will not suffice when poverty and pollution problems proliferate. We are more and more persuaded that new approaches, new priorities, new styles of design and delivery are essential in such fields as income maintenance, housing, education, urbanization, civil liberties and civil order, and ecology.

*We count on your Special Committee to bring forward creative and concrete recommendations that will initiate a new social policy for Canada.

*And to provide continuing analyses and renewed inspiration in policy-making, we believe there should be a Social Council of Canada of like status and purpose as the Economic Council.

*Also, we are confident that new social policies which effectively put people first will emerge more quickly as deprived citizens come to share actively in the process of policy-building. This will add the needed dimension of living experience to the expertise of the professional planners and legislators.

Here we repeat our conviction that the voluntary sector has an important role to play alongside public authorities. That is why the Canadian Coalition for Development is endeavoring to provide new opportunities for participation by more citizens, many of whom are still unorganized and therefore socially powerless.

Specifically, the Coalition is committed to "provide free forums to clarify issues, identify human needs, generate debate, and mobilize public will—in this way releasing creative energies for constructive social change".

4. THE QUESTION OF WILL

The resources and know-how are at hand to build a better Canada. However, efforts to narrow the economic gap between deprived and affluent citizens at home and abroad are seriously impeded by a persisting "attitudinal lag" on the part of many. The Interchurch Strategy Report of May, 1969 described this stubborn phenomena:

...At every level of society there exists social indifference and inertia on the part of the vast majority; poor communication, even between next-door neighbors; and worst of all, a deepening alienation between various "we" and "they" groups.

This alienation is almost total between the affluent and the deprived. They live in different worlds.

ISR, 38

In short, there remains the need to rally sufficient moral determination and political courage to put human development first. On both the Canadian and world scene (as the Pearson Report, *PARTNERS IN DEVELOPMENT*, emphasizes) this question of will is of critical importance. In particular, short-sighted self interest on the part of the affluent denies to the deprived what is theirs by right. As Mrs. Coretta Scott King has said, "The lack of will power to help humanity is a sick and sinister form of violence."

This lack of social vision and courage poses a particular challenge to religious groups. If Christians are to make a distinctive contribution to the struggle for human betterment, surely it must *begin* here—at the level of personal conscience and social concern, while also finding expression at the level of institutional practice. The Interchurch Strategy Report of last May acknowledged this:

The church is called to be a gadfly, a radical questioner of the status quo—including its own social status; a voice of conscience which raises the gut issues, rebukes every injustice, challenges public opinion, and rallies the moral will...in the manner of the ancient prophets, Jesus Christ, and such modern martyrs as Martin Luther King, the Kennedys, and Camilo Torres.

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We realize that so far many Canadian Christians have not responded to this call. Within our own communions, a collective renewal of conscience is urgently required. And in the wider community which reaches around the earth, we are challenged, together with other religious groups, to become once again "troublers in Israel".

Religious leaders recognize in this challenge a call to moral courage and public responsibility. We must show courage, saying what many within our own churches will find both dangerous and foolish because it is uncomfortable. And if we are authentic leaders, we will strive to bring many more Canadians into the struggle for a just and compassionate society.

In pursuit of such objectives the Council and the Conference are committed during the 1970s to promote four social strategies which are described in detail in the 1969 Interchurch Report. The four guidelines:

- *Review resources and revise priorities—ministry of penance
- *Commit more resources to development—ministry of sharing
- *Animate people—ministry of hope
- *Initiate political action—ministry of justice

One year after they were first proposed, we reaffirm our determination to press for the implementation of these guidelines, and to initiate or support other creative social strategies, such as the Coalition experiment already described. We do so in the belief that "the glory of God is man fully alive".



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
POVERTY

The Honourable **DAVID A. CROLL**, *Chairman*

No. 50

TUESDAY, JUNE 16, 1970

WITNESSES:

Canadian Operational Research Society: Mr. John R. Walter, President; Mr. John Gratwick, Past President; Mr. G. D. Kaye, Defence Research Analysis Establishment.

The Provincial Council of Women of Ontario: Mrs. Gordon B. Armstrong, President; Miss Mary E. Atkinson, Chairman, Standing Committee on Laws; Mrs. W. M. Marshall, Vice-President; Miss L. Dorothy Martin, Vice-President; Miss Dorothy Dale, Vice-President; Miss J. B. Palmer, Co-Chairman, Poverty Study Committee; Mrs. Henio Reio, Chairman, Standing Committee on Migration and Citizenship; Mrs. W. A. Wood, Co-Chairman, Poverty Study Committee; Mrs. S. L. Gertsman, President, Ottawa Council of Women.

APPENDICES:

"A"—Brief submitted by the Canadian Operational Research Society.

"B"—Brief submitted by The Provincial Council of Women of Ontario.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Tuesday, June 16, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Fergusson, Hastings, Inman, MacDonald (*Queens*), McGrand and Pearson. (8)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

CANADIAN OPERATIONAL RESEARCH SOCIETY;

Mr. John R. Walter, President;

Mr. John Gratwick, Past President;

Mr. G. D. Kaye, Defence Research Analysis Establishment.

THE PROVINCIAL COUNCIL OF WOMEN OF ONTARIO:

Mrs. Gordon B. Armstrong, President;

Miss Mary E. Atkinson, Chairman, Standing Committee on Laws;

Mrs. W. M. Marshall, Vice-President;

Miss L. Dorothy Martin, Vice-President;

Miss Dorothy Dale, Vice-President;

Mrs. J. B. Palmer, Co-Chairman, Poverty Study Committee;

Mrs. Henio Reio, Chairman, Standing Committee on Migration and Citizenship;

Mrs. W. A. Wood, Co-Chairman, Poverty Study Committee;

Mrs. S. L. Gertsman, President, Ottawa Council of Women.

The briefs submitted by the *Canadian Operational Research Society* and *The Provincial Council of Women of Ontario* were ordered to be printed as appendices "A" and "B" respectively to these proceedings.

At 12.30 p.m. the Committee adjourned until Thursday, June 18, 1970, at 9.00 a.m.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Tuesday, June 16, 1970

The Special Senate Committee on Poverty met this day at 9 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The *Chairman*: Honourable senators, this morning we have before us the Canadian Operational Research Society, and on my right is Mr. John R. Walter, President. He is Deputy Director, Health Sciences Functional Planning Unit, University of Toronto. He will tell us something about the Society and then he will speak to the brief.

Mr. John R. Walter, Deputy Director, Health Sciences Functional Planning Unit, University of Toronto; Canadian Operational Research Society: Mr. Chairman and honourable senators, it is a great pleasure and honour for me to be here to be able to discuss with you the complex problems of poverty in Canada, and to have the opportunity to make whatever comments or suggestions our Society can make to help you in this task that you have undertaken.

At this stage let me introduce my two colleagues from the Society who are with me this morning. On my immediate right is Mr. John Gratwick, the immediate Past President, and whose decision it was, supported by the council of our Society to make a presentation to your committee. To his right is Mr. Don Kaye, who is a member of our Society from Ottawa, and who has been concerned about national policy problems in many areas including the social area, and who is the member of our Society who prepared our appendix III which deals with an illustrative comment on the guaranteed annual income section of our brief.

You all have copies of our brief which you will have read, perhaps, and I am very grateful to be here to summarize in the first few minutes of this meeting some of the observations, conclusions and recommendations contained in it. Then we will be most happy to answer any questions that any member of

the committee may have to put to us concerning the points we have made, or to do anything else we may do to assist you.

At the start of our brief we have taken a few paragraphs to describe to you something about what our Society, the Canadian Operational Research Society, is. Most people when they hear that name believe we are a group of surgeons who are specialists in taking care of people in hospitals, and we often have to explain to people that that is not our field at all, although to some extent we are looking after very complex systems such as the human body, except that we are not looking after it from a medical viewpoint, but from the organizational operational viewpoint.

"Operational research" was first coined as a phrase at the start of the second world war when a group of people from many different scientific disciplines gathered together in Britain at the start of the war to do whatever they could in whatever way they could to try to analyse and assess how the limited resources available at the start of the war could be most effectively used to meet the challenges of the military situation. Interestingly enough, some of the key people to organize this group were Canadians, Harold Lander, Dr. Solandt who at the time were in England and who were among the first couple of dozen people in the world to begin to try to take a multi-disciplinary systems approach to study and assess what could be done to meet very serious problems.

Our Society in Canada is only 12 years old. The first Operational Research Society in the world, a group of people who were trying to take a systems approach to problems, at first in the military field and then in industry, was formed in the United States in 1953, which is only 17 years ago. So, we are a very new scientific field, as it were, and we are studying these complex systems of men-technology assisted by technology and machinery and studying their interactions from a scientific model point of view rather than from a purely social or qualitative point of view.

Our brief, following this introduction to assist you in knowing what our point of view is and what our

approach is to the poverty problem, continues by saying that we would not attempt to define poverty, because you have had many, many definitions both from the Economic Council of Canada and others. Again, this is just one of the problems that you and others face, that there is a large number of definitions, all of them correct from the point of view of the people who have prepared them and are giving them. Some of these are quantitative definitions, others are qualitative.

Also it was obvious, from reviewing the briefs presented to you, particularly by various Government departments and agencies at the federal, provincial and local levels, that you had had complete and proper descriptions of the multitude of things that are available in what is currently called the welfare system. Also from other briefs it was obvious that the poor people of Canada sometimes are helped immeasurably by the current welfare system; that sometimes they seem to have to struggle against it to survive; and that more often than not they do not exactly know what exists. So, again, here we have not made any comments other than to state that there is a great deal of information on this that needs to be assessed.

To take a look at the recommendations that you have been presented with, we did a quick summary of the briefs we had available at the time. This is in paragraph 10 of our brief. From 48 of 67 briefs presented to you from November 3, 1969 to March 24, 1970, by just counting up the various areas and the recommendations that have been made, it is obvious that almost everyone who has talked to you has suggested more and better things to help the poor. Sometimes it is just "more"; sometimes it is just "better"; and sometimes it is "more and better", to put it in simple words: more and better education, more and better direct financial assistance. At least 50 per cent of these briefs and a great many people suggested this. These are just tallies looking down the specific tabled recommendations in these briefs and ticking them off—"This suggests something. This might suggest something."—and classifying these into various categories in the small table in paragraph 10.

There are countless other recommendations you have had. Again, this poses the problem of how you are going to sort this out and determine what the effect of accepting or suggesting any particular recommendation would be, but it seems obvious there is a great deal of concern about more and better action in this area.

As I said before, you have many facts and figures; you have a lot of inconsistencies. This is paragraph 11.

Paragraph 12. It seems from reading the briefs and also from listening to what you have said, the questions you have asked which are published in these briefs, that you have very little information on how to co-ordinate or combine all this evidence, how to judge what the effects of implementing any of these recommendations would be. I think the reason for this is that most of the people making submissions to you have a particular point of view or are involved in a particular aspect—an educational one, a health-care one—or are trying to assist in a particularly poor section in some city or rural area. Of course, with their knowledge, information and ideas, they are focusing on a particular problem and are saying, "This needs to be solved," but they do not have all the information and recommendations related to it for implementation.

In paragraph 13 we have noted, from the Economic Council, from many submissions made to you and from some of the statements some of you senators have made yourselves, that—to coin a modern phrase—a systems approach to poverty problems in Canada is important because there are many things that could be done, but unless you know or have some idea of what might happen in other areas, a great deal of expenditure of time and money will be fruitless because other things that have to be done along with this will not be done.

We have then gone into discussing the so-called systems approach as it might apply to the poverty problem. Our own society is probably the closest thing to professionals in the systems approach to problems, whether they be military or business, where the first applications were made by members of our society, or whether they are now in the areas of social or socio-economic policy, which is what your committee is struggling with, which seem to be the problems that are increasingly the concern of the public and of public servants.

In paragraphs 15, 16 and 17 we have just said that we would probably best illustrate the application of this systems approach by including in Appendix 2 about eight descriptions of examples of the systems approach, operational research, as used originally in industry and in some Government studies related to education, health care and areas such as water resource management.

We have also commented that much of this work is going on in various agencies and areas of Government.

I am jumping ahead a little, but it is obvious that a great deal of this work is fragmented and is done for particular reasons, not so much related to true needs of the Canadian people, but it is done for particular jurisdictional reasons in particular areas. We are no better at solving jurisdictional problems than anyone else, but we observe that this is a waste, and if there were only some way of getting the different people together in true multidisciplinary approaches to try to assemble information and solve some of these problems, a lot more could be done with a lot less expenditure of both money and, more important, the valuable time of people who are able to contribute to some of these suggested solutions and, more important, the time between the moment when people realize what should be done and the moment when action can really occur and where the objectives of whatever is attempted can be actually implemented. When you have jurisdictions and many people requiring scientific analysis of situations in six compartments, all meeting and clashing and then going back to reassemble it, it becomes a struggle between the jurisdictions rather than an actual attack on the problem. Again, this is an observation we have made. I'm afraid it does not help you decide how to remove this. I will not go deeply into all the examples that we have included. They are summarized as some of the possible applications or analogies, transfers of approaches, that have been used. Perhaps we could discuss them later.

Senator Hastings: Could you possibly give me a specific example on example (2), where operational research has been used in respect to the welfare operation?

Mr. Walter: I personally know of one that was not used. It was an excellent study done in particular relation to a particular welfare agency in a certain section of a certain province of Canada. This study was done by one of Canada's leading French Canadians, operational researchers, and as far as I know it was just fine. Mr. Gratwick is aware of it.

Mr. John Gratwick, Past-President, Canadian Operational Research Society: There is a small but specific example of the problem of learning. The problem of learning is usually to wait until someone writes about them so that you do not always waste contact with everybody.

Just recently there was a report of a study done in England on behalf of the church, the Church of England, for a very large northern diocese, which was

running into the problem of reductions in attendance in a formal sense at church, increasing costs of church property, the shortage of trained clerical and lay staff for assistance to parishioners. They asked the university operational research group, at the University of Manchester, to examine the problem for them and in fact they did tackle this in the same sense as we talk about here, developing a model of the problem, looking at the people the church was trying to serve and the forms in which that service took, the locations of these people, the locations of the churches, the availability of trained help and assistance, and they tried to maximize the re-arrangement of the sources, so that in fact they could do the maximum good for the people who were requiring it. It was looked at almost a sort of transportation-distribution-location study in a geographic sense, to make sure that the help and people were in the right places as far as possible to match the people who required the assistance. This has been written up and I think it is now available in printed form and if it were of interest, I could obtain a copy. There have been very few, though, that have been reported; one of the reasons for this is, of course, as it was in this case, that it was not done as a professional paid job. It was done as a labour of love, if you like, by the group acting at the university on behalf of the church. This perhaps highlights one of the difficulties why there have been so few of these—there has not been anybody to buy the assistance that is required.

Senator Hastings: That has to do with the operation of a church. I am asking you for a specific example in relation to welfare.

Mr. Gratwick: It was also concerned with this sort of thing. The churches have a lot of personal activities which does include to some extent support of the needy and so on and it was a question of providing facilities for these people to have somewhere to go to meet and so on. So it did encompass the whole of the church's activities not just its normal Sunday services.

Senator Hastings: The theological work.

Mr. Gratwick: Yes, it covered more than the normal Sunday issue.

Mr. Walter: I would like to come back to follow up on Mr. Gratwick's comments. What I would like to do now is quickly cover the conclusions and the recommendations, perhaps reading these since they cover only three pages.

The Chairman: They will be printed in the record.

Mr. Walter: I will cover very quickly the main points that we have made, that new ideas and approaches on poverty are needed, but in addition to the new ideas, which are reasonably easy to come up with, that it is reasonably easy to suggest ideas but difficult to decide whether in fact they will work and just what will happen if and when they are put in operation.

New methodologies and analytic expertise are also needed to help deal with the problems of the poor in Canada, and your committee is aware of this. We believe this to be extremely important and unless a lot of thinking goes in and assessment of what might happen, many of the suggestions made will not be implemented.

The next point—and again this is something which your committee knows already and which we just reiterate—is that poverty in Canada takes many forms. And if it is assessed, it has many impacts and ultimately the only result will be that unless richer Canadians decide to help poorer Canadians nothing much is going to happen. There can be all sorts of statements but unless richer Canadians, defined in the true sense of richer, richer in spirit as well as richer in monetary and material goods, to help poorer Canadians, nothing is going to happen.

We realize that there are many problems of implementation and discussion between many different areas of interest. All we say is that our own group, people who are training, can help and would like to help.

The specific recommendations, of which there are five, can be summarized very quickly. The systems approach should be used in studying poverty problems because otherwise there will be many things that will prevent or will actually revert the whole process of helping the poor.

On recommendation 2, there must be emphasis, in whatever way it can be worked out, as acceptable to all of the people working on these fields, to get increasing use of true interdisciplinary teams that will tackle the problem and not just bouncing it back and forth between jurisdictions.

On recommendation 3, any recommendation for action on poverty which proposes greater use of limited resources should be fully evaluated and tested, using suitable cost/benefit analysis—we have been using the phrase “cost/benefit analysis” but “benefit analysis” and “cost analysis” could be used, if they have to be separated, or even one or the other.

It is important from our experience in working in many areas, that any recommendation that proceeds to attempt to be implemented without this sort of approach, in a very complex problem such as poverty is often deemed to failure or alternatively a very small return is made, as compared to what could be obtained if everybody knew what was going to happen and like it to happen, before the thing was done.

On recommendation 4, this is in the area mainly devoted to whatever you can do to make it easier for public-minded people, particularly in the universities, since they are not involved in the profit motive, to encourage and to assist people in universities—and these include some of today's students. I am at a university, and when I graduated from the university I was not as smart as some of the students are now back in Grade 9 and Grade 10 in high schools in many areas of this country and they seem to be fine, in a socially conscious area, and there should be some way of harnessing this capability of time and of interest to begin to provide what is most needed, which is the time of people to help study and solve the problems of the poor. I think there is a great contact source here which should be used.

On recommendation 5, this is not a recommendation to the country at large but to our own members. We exhort them, when they read this brief, to become more involved with the real social and political problems in our country and in the world, like poverty, particularly, in all their disorganized complexity. Then we exhort the Government and social planners and administrators to make a psychological commitment to this approach so that those of us who do wish to get involved and offer what we can, to solve these problems truly, can get involved with them and effectively carry them out.

Senator Pearson: My first question would be, do you think it is possible that we would ever eliminate poverty? In all of the studies we have had, there have been hundreds of different suggestions as to how to do it. Can you make any definite suggestion or give us any definite idea as to how to approach this poverty scheme so as to get rid of it.

Mr. Gratwick: One comment about this, senator, is that probably as long as there are going to be differences between peoples, in both their way of life and perhaps in their material possessions, difference that are recognizable to the whole system, if in fact you take one end of this scale of difference and label it “poverty”, as opposed to “richness” or the dimension, it is probably that we shall never get rid of

it, because all that would happen is that you are moving in a relative sense. So, perhaps it comes back to what we mean by our definition in that sense. If we sort of wanted to recognize differences, and we use that word to recognize some differences, we shall never eliminate it. We shall change its character over time, and perhaps change the proportion of people who fall into this category, but I do not think we can ever eliminate it, by definition.

Senator Pearson: We all know that disease, misadventure, and poor decisions are what cause a great many of these people to get down to that level of poverty. The question is one of how we are going to eliminate those things.

Mr. G. D. Kaye, Senior Operational Research Scientist, Defence Research Analysis Establishment: I think again this is something that you cannot eliminate, but these are what one might call, I think, random occasions of poverty—things that do not occur very often.

Senator Pearson: Do they not occur very often? I think that in the cities this sort of thing occurs all the time.

Mr. Kaye: I distinguish group poverty—a large number of people who are perhaps less well paid or not paid at all but are in much the same circumstances, which are of the kind that you can level up generally. But, on top of that there are things like illness and other problems which you cannot foresee, and, therefore, you cannot have any regular scheme to deal with them. You will not eliminate them, but what you can do is deal with them perhaps more on an insurance basis or possibly you can still leave something for the charitable organizations to deal with.

Mr. Walter: I think that poverty, in the only sense that it can be defined, can be eliminated in the long run in an ideal society that is highly productive and well organized. But, such occurrences as the death of a father, where the mother does not have a job and the income stops, cannot be eliminated unless we achieve perfect health, or until society just automatically sends the cheque in, or we get back to a barter system. But in a perfectly organized society, and this is what we should always be striving for, the system should be set up so that as soon as this occurs the link-up is made with the section of society that will provide the assistance needed. A family becomes poor, and it is three generations later when by luck, you know, something happens and they get back to where they

themselves believe they are making a contribution to society as a whole on their own terms, and when they feel they are back in the system.

Senator Pearson: Would you suggest that we should have an organization something like your own to make a model of some type of organization that would take care of this? How would we get the richer Canadian involved in this sort of affair. Everyone is so busy with his own particular business, enjoying himself, and looking after his family, he has no time for this sort of thing. How do you get him involved in this through an organization of some sort?

Mr. Gratwick: The Government, or whoever it is taking on the responsibility, has to examine what sorts of attractions there are for the richer Canadians to participate or to become involved or, in fact, to give up some of what they have in order to solve this problem. I guess this falls into two forms. If, in fact, it could be demonstrated, and it was believed, that everybody would benefit in the long run—in other words, that the whole level of society could be raised—then it could be made attractive to the richer people who apparently do not need anything, but who if they felt that the whole thing was being raised would find it attractive.

The second thing is if, in fact, it is a redistribution, so that the rich person has to be a little less rich in order that somebody may be a little less poor then obviously money is not an incentive because you are talking about taking it away, and you have to look for other things that people will find attractive.

In the past, we have used emotional and religious incentives to cause people to give up some of their wealth. Perhaps it has been a form of moral blackmail in some cases, but it has been effective. On the other hand, one has to see if one can encourage some sort of emotional commitment which is attractive to people, because people can take up causes and obtain a great deal of satisfaction from them. Perhaps we shall have to consciously look for the ones that will be attractive to people at this time. I do not think that some of the old ones are attractive any longer.

Senator Pearson: You say in your first recommendation that the systems approach, and operational research, should be used in formulating new policies. Would it be your idea that we should eliminate all of our present welfare ideas and such like, and concentrate on one type?

Mr. Gratwick: I do not think one would say automatically: "Let us eliminate what we have." I think it is vital to identify what we have and to establish the interrelationships of what we have, in order to see what the total model of the situation looks like. We should then examine it to see where both the gaps and the duplications are, or where the aims or objectives of certain parts of these activities are perhaps not aligned with the basic objective as you are going to define it. The thing to do is to look at the resources you are employing at the moment, or at the activities that are going on, and not necessarily to eliminate them and replace them with something new, but to see whether they do fit within some logical construct at all—and it does not have to be a perfect fit.

Senator Pearson: But in the meantime we are not eliminating poverty at all?

Mr. Gratwick: No, in fact, we are doing the opposite.

Mr. Walter: Nobody will eliminate poverty by next January or, indeed, by January, 1975. You have taken the first step by establishing this committee and hearing five million words on the subject. That is the estimate I arrived at by taking a ruler and measuring the depth of the various submissions. There may be a great pile of other things that I was not able to measure, so perhaps there are 15 million words. In any case, you have started by gradually assembling a welter of information, much of which may not be true—and that is always a problem. That is the first step. Then you have got to try to look at some of these and identify, to use our old phraseology, a few of the bottlenecks that seem to be sufficiently commented upon across Canada by people right down where it hurts, as we all know, as well as by intelligent people at every level, so that you have got enough points of view that agree to put together a team that includes all of the elements, and then you can attack this one and that one, and at the same time, I think, you have to be looking to the year 2000. Our society is pretty rich right now, and my personal feeling is that next year, if you take all the riches that the rich people have and pretend that you are going to give them to the poor, then the rich people will go to another country, or will find a way to work around the rules and stay rich, but if you aim 50 years from now at a profile in which there is less of a distance between the richest person and the poorest person, then that is the answer.

The short-run things are to look for the bottlenecks, and you have begun to look at them, and I am sure that in your recommendations you will hit some.

Senator Carter: Mr. Walter, your research association has grown in twelve years to 800 members. How many disciplines are represented?

Mr. Walter: You name one, and we probably have it.

Senator Carter: All disciplines?

Mr. Walter: There are lawyers and doctors who are members of our association. It is the systems approach to points of view that is the common threads that links our members. They are not by any means equally represented in proportion to their existence in the country.

Senator Carter: You mention forecast behaviour under certain conditions. Do you take into account factors that could change behaviour?

Mr. Kaye: This is always implicit in a problem. One of the definitions of operation in this area says operation of complex systems within their environment. Environment always has some influence on the behaviour of the individual.

Although one might say that the environment is more complex than the system being studied, nevertheless there are certain changes in it which can be studied with regard to their effect on the operation. I do not imply that all the possible influences of the environment on behaviour systems can be studied, but the more important ones can be selected.

Mr. Gratwick: If your reference is to individual behaviour as opposed to the behaviour of an organizational system, certainly we are concerned about this. We attempt as far as possible not only to identify the elements that might cause changes in behaviour but to recognize changes that we might consider beneficial to an operation.

I can think of this much more clearly in terms of industrial environment, where a large number of the studies have been primarily concerned with, in fact getting people to behave differently than they did in the past in the work environment.

Senator Carter: Are you familiar with the work being carried out in Heidelberg, Germany, in operational research systems?

Mr. Gratwick: Not unless it is some specific area that would ring a bell.

Mr. Walter: The name Heidelberg does not ring a bell. Perhaps you can help us?

Senator Carter: With respect to changing behaviour and the factors that might influence it, I am interested in your analysis in paragraph 10. There you analyse 48 briefs and find that 32 of them specifically recommend more and better education, direct financial assistance, social community and supportive services, and health care.

With your systems approach could you determine what impact previous briefs have had on those presented subsequently? In other words, to what extent do submissions repeat what has already become apparent in previous briefs?

Mr. Walter: Yes, we could analyse these numbers, I will write you something on this.

Mr. Gratwick: It is a perfectly feasible operation. There might be sufficient quantity here to arrive at some identification by looking at the increasing degree of correlation between the points raised.

The growth of fresh ideas is one measure. If no fresh ideas are added, perhaps—people are copying.

Senator Carter: Could the same type of analysis be applied to replies to various points raised in committee, where there is not time to think up a stock answer?

Mr. Walter: That would be very interesting. How long are you giving us?

The Chairman: How long do you need?

Mr. Gratwick: It depends on how many questions there are. It is slightly more diffuse than the first question. However, if one could develop something for the categories on the same principle it should be possible to do something.

Mr. Walter: We could illustrate what might be the hypothesis to investigate whether there appears to be more dispersion amongst the impromptu answers than amongst the initial recommendations.

This may reflect what people are really like, which you probably have already personally assessed.

With respect to the behaviour aspect, I have to speak from studies I know. The one I am involved in now is co-ordinating information and the behaviour of students, faculty and administrators in medical schools and in hospitals where young doctors train.

We make sure that we talk to people at every level in this system and are prepared, if people have an idea that they think themselves works, to make our models so that they can analyse what these people want.

We do not waste time, but use the time of the analysis to educate people to the implications of what their own behaviour ideas and patterns suggest.

We also make sure in any results that we produce or help that we give that the behaviour patterns of the people who will use the tools are taken into account in designing them. If we are going to have a man fly an airplane we do not design it as if there were no pilot. Although it is not done perfectly, things must be designed to help.

The Chairman: I am intrigued by your answer. Would you mind taking two minutes to explain to us the behaviour of students?

Mr. Walter: Which students?

The Chairman: Take a university.

Mr. Walter: The students who become involved in the work our unit does include medical, engineering, business school, political science and economics students. Is that range good enough?

The Chairman: Yes.

Mr. Walter: I do not know about the history or the Far East Asian studies students. We do not see much of them. Maybe I am easy to please, but I am impressed with the knowledge of facts, figures and ideas. In my personal opinion I believe that this has been created in the main by television. Most of the students at university have watched television since they were three years of age. They have been bombarded with more facts and figures about the world than any of you or us ever were. Therefore they are far ahead of us in terms of appreciation of what is going on, although it is filtered by the media to some extent.

I always like to make comparisons between now and when you and I went to university. Today's university student will not be outer directed. He himself knows what he wants to learn and has an idea of what he is trying to add to his total experience. Whether it is medicine, engineering, political science, economics or business school, the student wants to ask particular searching questions of his faculty. They do not like lectures, none of them, because, as you commented, in

a lecture they are getting the same points over and over again; they read those last week if they were interested in them and they do not want to hear them any more. They want to add to their knowledge and get more experience out of life. They prefer real cases, real studies, real things.

In our work in health sciences we offer students positions they can take up during the summer, or hook up for thesis work. We offer them things that have to be done, which are pretty dry, like making a beautiful computer model; or as whether they would like to get involved with a team that talks to patients, or to students in other disciplines to try to find out what they would like. We are continually building curricula that students themselves would like. Invariably we have to staff the dull work with our own full time people. The students themselves want to get out and be involved with others, to use the facts and figures that they have learned and help others, and I believe that to be true. The 5 per cent who throw rocks or break windows are the 5 per cent existing in our society, whether among doctors who are supposed to practice but do not, or lawyers who are supposed to help society but do not, or businessmen who are always the "nasty" ones who fail the Better Business Bureau standards and get the headlines; but 95 per cent of people in every field, including students, are sincere.

Senator Inman: How do you think students got that way? I think when we were young we all felt that way but we did not have the nerve to go ahead with it.

Mr. Walter: How do I think students got that way? That is a good question. I have just emptied my brain. John, can you help?

Mr. Gratwick: Part of this, I think, is the fact that we have all got that way a bit. It is not just students. Society has got that way in the sense that I think you are using it. There has been a change in the general attitudes of people, not only to society itself, but towards each other. This has certainly changed the so-called authority relationships that may have existed in either a parental sense or a school-teacher sense.

What is happening, certainly in universities now, in my appreciation, compared with my own time, is that straight away there is an entirely different relationship between faculty and students; they are much closer together, but I do not think it is because one has moved and the other one has stayed still; I think they have both moved towards each other. There is no longer the more formal attitude towards somebody

who is, as it were, "up there". They may still be a great deal of respect, but it is respect with an entirely different flavour from the one I can remember, which is perhaps the one we are trying to reflect. However, I do not think this is just students; I think it is happening all across society.

The Chairman: May I have Mr. Kaye's answer to this? I am very interested.

Mr. Kaye: I do not think I can add very much, except to follow the line taken by Mr. Gratwick. I think it is almost impossible to hide anything any more. You no longer assume that somebody is so much wiser and better than you are, because you know so much about him. The other thing is perhaps the increasing pressures of today's society, the greater competition arising from the greater number of people, which makes it more difficult to get the opportunity to do what you want to do. Perhaps there is the feeling that we know so much more about society, that there are so many more things to do than could be done in the past, but the difficulty of getting to do them is greater. Perhaps this makes people more ready to fight to do what they want to do than they ever were before.

Senator Carter: I should like to go back to where we left off.

The Chairman: I am sorry we broke into you questioning, but we thought it was important.

Senator Carter: We were talking about the models. Could a model be constructed to evaluate the effectiveness of, say, family allowances versus guaranteed income?

Mr. Kaye: Yes, I am sure it could. However, I would point out a difficulty. We often use a model because we have not got the full information we want to have. One thing we do get fairly up to date information about is average income, which is why I used that model as an example. If you want to go beyond that to the distribution of family income, the best you can do is to go back to 1960 and use data obtained from the census. It is always possible to make models of this kind, but not having the information you want, to get your answer from the model you may have to wait a long time before you can collect it, so perhaps you cannot do it straight away. If you are lucky you can perhaps use 10-year old information, by fitting it into a model predict where those figures would be today and use them. This can often be a satisfactory method

However, I think it would be correct to say that in most cases there is no difficulty in constructing models. The major difficulty is in getting information from which to make the models useful.

Senator Carter: In one of your recommendations you make an assessment and say that without changing the present rate of taxation we could pay from \$500 to \$1,000 a head guaranteed income, which is a mighty big spread. Where do you get those figures? Are they based on calculations? How do you arrive at that?

Mr. Kaye: This again is one of these models which you think up because you have not got the exact information. Essentially it assumes a distribution of income which by comparison with figures in the past looks something of the right kind of distribution that you need to do this. Once you know a distribution of income you can make all these kinds of calculations on that. It is, in fact, a few fairly simple mathematical formulae which do this. What the formulae do not do, however, is say what a reasonable amount of taxation is, and I must admit that this was more or less my guess, that people would not disagree too much with rates of taxation something of the order that they are nowadays, perhaps 15 per cent to 30 or 40 per cent of income. This again was income in excess of the basic minimum; it is not all income.

The Chairman: I did not hear you correctly. Senator Carter was speaking about \$500 or \$1,000. You say that this is in excess of the basic minimum now received by the people. Do I understand you correctly?

Mr. Kaye: What I am saying is that if you consider the income which people have now of \$1,000 or less and take money away from the people who are receiving more and give it to these people so as to bring them up to \$1,000, that degree of redistribution would require a taxation somewhere in the neighbourhood of 30 per cent. In choosing these \$500 to \$1,000 I was not intending to imply that there was anything magic about it. This is the dimension needed to survive. I was really looking mechanically at what the effect of the redistribution would have and its equivalent in the taxation area.

The Chairman: I do not understand you. Are you saying \$1,000 per family or \$1,000 per person?

Mr. Kaye: One thousand dollars per person.

The Chairman: All right.

Mr. Kaye: This is not the way you would like to have it and I realize this. The reason for this is that it is the easiest one to get at and you can use the more recent figures.

The Chairman: I now understand what you are saying.

Senator Carter: You deal with systems, and in Canada we are spending about \$6 billion on welfare and about \$4 billion of that for federal, and the rest goes for provincial and municipal expenses. You have three systems: municipal, provincial, and the overall federal system. Could a model be constructed showing how these systems could be better related to each other?

Mr. Walter: I think the answer is yes. After you have constructed a model you must get the people who have the information and are prepared to give it to the model builders. Technically there is no problem to constructing such a model. There are large enough computers which can store all the information needed by every municipal, provincial and federal agency. There are enough operations and research people to construct the little sections of the model, working with each person. The model itself can be done. How this model can be used to help people making the decisions is a more difficult problem.

Senator Carter: It would depend on how the relationship between a system showed up in the model, would it not?

Mr. Walter: That is right.

Senator Carter: You would have to work out a better relationship between them.

Mr. Walter: Yes. I do not think there is any technical problem. It cannot be done within a week, or by one man working evenings and weekends.

Senator Carter: Do you think that is something which should be done? Let us put it this way, it is something which must be done before we can really have a good overall view of what is going on?

Mr. Walter: I think so. Personally, I feel this is where you start.

Senator Carter: Have computers helped your work?

Mr. Walter: Immeasurably. Computers do all the dull work.

Senator Carter: Would that shorten the period required?

Mr. Walter: If you had asked this question before today's generation of computers I would have said that technically it was impossible, at least that it was too difficult to carry out the calculations, but with today's computers there is no problem.

Mr. Gratwick: It has been a comparatively short time span but it has been possible to say this. You could have conceded to the idea, but you could not have physically handled it before.

Senator Inman: Mr. Chairman, I found this a very interesting brief. There are many questions I would like to ask, but I shall only ask a few. In regard to example 4, why do you think administration and others say that the time has not yet come to use policy planning for poverty, if policy planning is effective in the uranium industry?

Mr. Walter: That particular point was only to cover the range of administration. Some are making effective use of this sort of approach to gather all the information to really assess what might happen. In every field many people are leary about a new tool. There are examples—of course we are aware of them—where good work is being done. It is then filed away because someone at the administrative level feels it should be because the time has come, whatever that means. I think that year after year the segment of people who are running things is reducing and there are more and more approaches being used to help.

Senator Inman: In regard to paragraph 31 of recommendation 2, how do you go about getting the poor to study poverty problems? What sort of program would you suggest?

Mr. Walter: I will speak briefly to this and then my colleagues will comment. I am a great one in drawing analogies because I think you speak better about the things you are involved in. I speak again from the sort of work which I am doing within the educational system. You ask a student to come in and start talking and a discussion develops. Within a matter of weeks or months there develops an understanding of what is happening and the student becomes involved and a member of this team.

I was at a very interesting session regarding urban problems as related to the poor. On the panel they had a couple of militant Negro leaders. They said that if you want to do a study in a city, the most important thing which the analyst should know is how to play pool because when he can go into the pool hall and play with the rest of team. After a couple of weeks the conversation will start and within two months the analyst will be in the information centre. I think this is true in a great many areas of Canada, especially the rural areas. We must find out where the information centres are and then send a person who is sensitive to this sort of thing and is a member of the interdisciplinary team. Again this can include universities students who are interested in these problems.

The Chairman: When we started this mission of ours we attempted to involve students at all university levels. We went to every university but we just could not get a response. Why?

Mr. Walter: Whom did you talk to?

The Chairman: To the students. We sent our young staff members, good personalities and who knew students, to talk to them. They asked them to speak out and become involved in this problem, but we could not get any response. There would not be enough sex appeal in it. Pollution was more attractive to them, or other things that I am not going to talk about now. Why is it more attractive?

Senator Pearson: The students have no poverty in them.

Senator McGrand: We met the militant students in Halifax and Vancouver.

The Chairman: Yes, but we did not get the university groups.

Senator McGrand: We got the militant groups.

The Chairman: We did not even get them, except the fringe.

Senator Fergusson: Mr. Walter is only representative of five per cent.

The Chairman: Well, even less than that. We had some orders in Prince Edward Island and some in British Columbia. We went to all the universities and thought we would get them involved.

Senator Inman: In paragraph 12 you suggest that there is very little information on how to co-ordinate and combine all the evidence or how to implement many of the recommendations, and assess the implications. How would you suggest this problem be tackled?

Mr. Walter: Mr. Chairman, you have made the first step, you have brought up a lot of information in this committee, for whatever recommendations you make, whether it be the setting up of a special group, an inter-disciplinary team, with representatives from many areas, to attempt to gather this information together in a way so that you can test whether certain recommendations are compatible, what their economic effects would be, what the true effects would be. I would think this is your next step, to get together a group—and I keep calling it an interdisciplinary or multidisciplinary team—of people who are experienced in combining information and in developing models, along with people who can interpret conclusions. I think this is the next step and that if your committee makes recommendations that will then go for action to particular places, you need the intermediary step of combining this information.

Senator Inman: In paragraph 26, where you speak of drawing conclusions as to how poverty could be eradicated, would you please discuss how poverty could be eradicated without some major redistribution of income? Would your society see anything more than a guaranteed income concept? Please explain what you mean by saying that it is probably easier to provide income than to provide work? How would you provide income without work? Someone must do the work. It looks like being a question of what comes first, the chicken or the egg?

Mr. Kaye: That may have been a rather unwise statement, but what I really meant was that it was more difficult to create new work than provide income. You can create work by redistributing work, in just the same way as you redistribute income. You could cut the work week to three days and perhaps not double the number of jobs but make many more jobs. I suppose it is easy to do in theory, perhaps it is not easy to do, to win social acceptance. People always fear that if you do cut down the work week the rewards will be cut accordingly. There has been less interest in creating work in that way than one might have expected. When I made that remark, I was really thinking about creating new work, and we know how difficult that is.

Senator Inman: In Appendix 1, paragraphs 7, 8 and 9, are you suggesting here that individual organizations could work better as one unit in solving the problem of poverty, rather than all to come together where perhaps there might be more differences or divergences of opinion?

Mr. Walter: Yes. In the ideal, yes. Whether you can actually persuade all the different groups to get together really to solve this, that is a problem. But if they would, I am sure that you would reach meaningful and useful recommendations, much sooner and much better. In essence, if a lot of the problems and differences of viewpoint were talked out in this room and had all of these people represented, instead of being continually in the public eye by this group making a recommendation which is picked up and banged against one by another group and causes friction—if all could work together, there is no question it would be better.

Senator McGrand: Most witnesses have appeared before us with recommendations suggesting better education and more technical training, in order to get full employment. How do you forecast poverty in the future? You realize that with improved technology less and less people will be employed in industry. If everybody were trained technically, it is only the more competent who will get the jobs.

Mr. Walter: To tie in that question, let us call it the process of education and training, with the process of jobs and interrelate these. My feeling is that people will learn longer and spend more of their time learning about the good life and spending time on how to live it. And that the hours that they used to spend with the hammer and the wrench will be transferred to letting people enjoy what our society provides. I think that is how you would tie the thing together.

Senator McGrand: How do you provide the money for the less competent, that is what I am thinking of? I am not worried about the more competent, but about the less competent who cannot get a job and has a hard time trying to understand the difference in leisure and idleness.

Mr. Kaye: I do not know if I can suggest any answer to this. It is certainly a problem which is becoming more and more apparent. You could do some kind of forecasting as to how fast this was increasing. It is my impression that there has been very little attempt to solve it by trying to correlate education with the needs of possible jobs. Perhaps that is not really the end of education, anyway.

Senator McGrand: I have got the message.

Mr. Gratwick: There is one brief point on that. Perhaps we put too much emphasis on certain types of competence. When you use the expression "the less competent" that is judged probably in the comparatively narrow field of what we are looking at as competence of the moment. What we tend to do is to let our technology and our society insist on what it wants from people. For instance, what we should say is, what other sort of competences do other people have, and let us encourage an environment which gives that some room for manoeuvre and some room for use. Most people have a competence in some direction, if you can find it.

Senator McGrand: I agree. It is evident that poverty in certain areas is due to the underdevelopment or the poor development of the resources in that area. Nothing has been said before our committee about the development of the mid-Canada corridor. We hear a lot about it. How do you view the development of this mid-Canada corridor, taking into consideration the poverty now and the future of our native people?

Mr. Gratwick: I think, if I could start on that, with the concept of the mid-Canada corridor which is obviously to open up a large fresh area of both natural resources and, by implication, activities for more people, the great difficulty is that you can recognize this as it exists in the physical terms in which it is measured. Again, I think it is one of the things that you have to be very careful in measuring when its time comes—and we are back to that expression again—because if it battles right from the beginning against all the complex and classic economic difficulties it will have—if labour is more expensive and extraction is more expensive in the places that are already available and are not yet exhausted, then under our present system, it has too many strikes against it. I think you need to have that one ready to go perhaps just a little bit before its time really comes.

Senator McGrand: We are not ready for it yet?

Mr. Gratwick: We are not ready for it yet.

Senator McGrand: How do you proceed to harness the involvement and the interest of students who are ready to change the structures of our society? Are some of the disciplines involved in your organization prepared to encourage and engage students, and has any program emerged as far as your group and the students that you think wish to change the structure of society are concerned?

Mr. Walter: I would say there are different individuals in our society who through their association with universities are beginning, and it is just within the last five years that the various disciplines involved in our approach to problem-solving are sufficiently established within the university structures to permit this. And I can say on behalf of our own Society, provided the Council agrees, and I think it will, based on the meeting we had three weeks ago at our annual meeting, that we are beginning to implement places in universities from coast to coast where there will be students interested in carrying out educational theses and things like this. So, ask this question five years from now and I will give you many examples and an official position.

Senator McGrand: When this occurs will this problem of what is competence be included?

Mr. Walter: It will be included.

Senator Fergusson: One of the problems this committee is faced with, and on which we try to make some decision, is how to make richer Canadians feel there is need to help the poorer Canadians. You refer to that in paragraph 28. There you say:

The success of most of them will depend on the willingness of "richer Canadians" to help "poorer Canadians", and to transfer some of their present and future riches so that the "poor" can help themselves.

I was very much interested in what Mr. Walter said about students. He certainly sounded most optimistic about students.

Mr. Walter: That is one of my failings—I am always optimistic.

Senator Fergusson: Well it is good to come across somebody who is optimistic; we have too many people coming before the committee who are pessimistic. But you say that 75 per cent are interested in others and desire to help others. If this is the case, would you not think that we might hope to have better conditions and a cutting-down of the gap between the richer and the poorer in a much shorter time than the 50 years you mentioned. You were not too optimistic about that. Would it not be reasonable, if we can make people understand the need for this, to hope to cut down the gap even before 1975 which is another date you mention?

Mr. Walter: I agree. I think the job that your committee does and is doing is to interest people, and the best job that people in universities can do is to make sure that there is publicity about what is happening.

Senator Fergusson: Surely such a large number of students going through college have the feeling that all it needs is that this should be disseminated across the country.

Mr. Walter: Well, here there is a bit of a generation gap. You know, there is a lot more in the news than actually exists. It is a problem of getting this disseminated to the richer people.

Senator Hastings: Is there a credibility gap between the system and the students?

Mr. Gratwick: Inasmuch as there is perhaps a revulsion from and a rejection of existing structures and systems. Part of the answer to this comes back to Senator Fergusson's point. I think there is a genuine indication that there is a turning-away from the acquisition of material possessions as a measure of both life and status. Now how long this will last is another question and whether, in fact, it is based sufficiently broadly to solve some of our problems of disparity by not moving up the lower end but by moving down the higher end, which is just as effective—if we can cut out the top end because nobody wants to be there any more, then we have tended to solve our distribution problem. Maybe this is enough to help in the time-scale you are talking about.

Senator Fergusson: Mr. Walter has told us that he has contact with students, but could anybody say whether this feeling of wanting to help people is also to be found in other young people in this same age group?

Mr. Gratwick: There is some flavour of the same attitude if you go right to the other end of the scale. That is again making a value judgment; but if you look at the drop-out end, there is some similarity in the approach to the point of rejecting the existing structures and looking very much towards the individual and what the individual requires and what the individual needs to feel that he is an individual. This flavour seems to be common to both extremities.

Mr. Walter: May I add one quick question? Stepping back five years to the students we have now—and I am

speaking from Ontario experience where the educational system is universal because everybody goes to high school, at least to grades 9 and 10—and this feeling I have interpreted from talking to students and seeing and listening to them—the feeling that I have expressed about universities is amplified, if you step back to those students who are now in the previous level of education and who will either end up by going to universities or going out and getting involved. So there is no doubt in my mind that the feeling is ingrained far earlier among the young people at every level.

Senator Fergusson: We still have a lot of people who do not accept this in Canada.

Mr. Walter: Accept this philosophy?

Senator Fergusson: Yes.

Mr. Walter: Well, I think there are a lot of people who do not accept it. Maybe I am wrong, but I do not think so.

Senator Fergusson: I am thinking of the people we run into and with whom we discuss our committee work, for example. They will say to you "it is not necessary", and they do not believe it.

Mr. Walter: In some cases it takes longer because people are too involved in certain areas to realize how the world is changing.

Senator Fergusson: Coming to my next question, in Appendix III you have a list of human rights which does not seem to follow what one usually hears about as human rights or as coming from the Charter on Human Rights. Now, I am not questioning these, but I am wondering where you get them.

Mr. Kaye: I suppose I just tried to think of any rights that really impinged on the economic situation, and picked out these to give a sort of scale from just surviving to looking after people reasonably well. I think the whole survey was rather superficial, and if I had thought a bit longer I am sure there are others I would have had, like the right to privacy and so on which are perhaps equally important from the other point of view.

Senator Carter: Could I ask a supplementary here, Mr. Chairman? Are we placing too much emphasis on rights and not enough on responsibility?

Mr. Kaye: Perhaps one should mention responsibility as well. I think I would almost say that people understand their responsibilities a good deal better than they understand their rights.

Senator Carter: Responsibilities do not have as much sex appeal.

Mr. Walter: They are not as exciting. My feeling is—and this is only from personal experience—that when you find people who talk about their rights and you sit down and reason together, within a very short period of time the relationship between responsibilities and rights, in the case of a high proportion of the population, whether they are students or adults, comes into focus; or the person you are talking to dissolves and slides out under the door, because he came in only to make news and not to approach problems. When you sit right down and start talking about how these things inter-relate, you quickly find that differences dissolve and you get down to the facts. That has been my experience.

The Chairman: I will ask a question, and you can all take a crack at it. The sum and substance of your talk, in addition to the technical and very interesting part of it, is that we need redistribution. There has been no redistribution between the rich and poor in this country since 1952. Those are the facts. What is there in the future that gives us that confidence and that optimism to make us feel that this situation will change; or, what is there we can do to make it change?

Mr. Gratwick: Perhaps you could tackle it two ways. If, in fact, the information is correct, it would appear that probably, in the numbers sense, there is a majority of people for whom this will not only be a direct advantage but for whom the age is so close that it would appear to be a protective advantage. Therefore, in a democratic sense, one can argue that if more than half the people want it, then that is the way we should go. One could also add to that and say there must also be a proportion of people who can find something which is satisfying enough to themselves, in terms of their values systems, who want some part of this to happen. Maybe the two together will only make up 75 per cent of the population, but perhaps that is enough to indicate that it will happen.

The Chairman: But where have these people been for the last 20 years, during which period this situation has increased in intensity? The four million poverty-stricken did not come to us overnight. They

arose in the midst of our greatest prosperity. Where were these people?

Mr. Gratwick: Is not part of this the information gap, the realization or knowledge of these things happening? It is very easy to ignore these things if one does not know about them. If, in fact, knowledge and greater understanding of both society and the situation of people in that society are gradually known—I think it has to come gradually, it has to sink in and people have to adjust their own ideas to accommodate this information. This takes time, and I think this is the process that is in fact going on. I think this committee is part of that process.

The Chairman: Yes, but do you mean to say that people in Canada, realizing the relief lines were growing, did not realize that that was poverty and that they should be concerned?

Mr. Gratwick: There seems to me a big time difference between the immediate acquisition of factual information of that sort and getting it into your own system, somehow regurgitating it and making it come out with a line on policy for yourself of how you want to behave. I think it is exactly the same thing as we have in the case of road accidents. We have no shortage of information about how many people we manage to kill every week-end. That is "interesting" and we watch the box scores, but we are really not concerned about it. I think it is going to take another 10 years before we really get to grips with that one. There is a long time lag in people's adjustment to information, to turn it right around into action.

The Chairman: So far as an automobile accident is concerned, sure, we feel badly about it and regret it but we say, "It's his own fault," and . . .

Mr. Gratwick: And we say exactly the same thing about poverty.

The Chairman: I thought you would say that. We say exactly the same thing about the poor—"It is their own bloody fault."

Mr. Gratwick: Yes—"It has nothing to do with me."

The Chairman: We are grown people and we have been around for some time. This is not a new thing this happened immediately after the great depression days. What are we doing about it? Where was our awareness or concern over that period of time?

Mr. Gratwick: Well, I will stick my neck out again! I think what you also have to look at over that period of time is the fact that this was not necessarily seen either as a definitely bad thing, nor was it seen as an escapable thing, because an awful lot of our basic philosophy rather indicated and, if you look back, we have a religious tradition which tells us that poverty is the right thing to have.

The Chairman: Oh no.

Mr. Gratwick: Well, almost—the most virtuous thing to have.

The Chairman: I do not even go that far.

Mr. Gratwick: Well, there is a flavour of this, and I think people have acquired something of this. This is what we are talking about changing, and this is why I say it takes time.

Senator Hastings: You said there has been a change of attitude.

Mr. Gratwick: I think there has. I think this is what requires the time scale. I firmly believe there is some sign of change. I think I recognize it.

Senator Hastings: Could you tell me of some sign you see?

Senator Pearson: I do not think there is any change at all in the mass.

Senator Hastings: If you read the briefs to the Senate Committee on Banking, Trade and Commerce, there is not much change.

Mr. Walter: I keep drawing analogies. It is the information and communication system of our society that is increasing exponentially, just as there have always been gigantic stars out in the universe that nobody on this earth knew about until we got telescopes and radio-telescopes that brought them into view, when we became amazed at these new things and started to think about them. Alternatively, there are all sorts of giant icebergs whose tips only appear above the surface, and before you had this fellow at the top of the mast and ships ran into them. But now we have information and communication systems which can see these gigantic things and we realize how gigantic they are. We are getting more involved. The fact that a number of people are making submissions to you means that we are involved. I guess I meet different

students in universities than you do. The point is I do not meet them just once; I get to know them.

The Chairman: I am no expert on that.

Mr. Walter: That is a very small segment, and I meet children in high school and get to know them. People feel one another out the first time or two, but underneath there is a real social awareness coming out of our young people and many other people. It is just a matter of spending enough time talking about it.

Senator Hastings: I do not think we have the time.

Mr. Walter: You do not?

Senator Hastings: No, when you speak of 50 years, we do not have that time.

Mr. Walter: No, I only use that as a reference point to say that it will be in great shape. I am not saying that is the target.

The Chairman: Tell me, with what firmness, concern and creditability do I tell a man who is poverty-stricken that we have just reached the moon? Does that make him feel any happier or any better?

Mr. Walter: Not the individual poor man. You help him right now.

The Chairman: Yes, but put him in a mass anywhere you like, how does that concern him?

Mr. Walter: He is right there and needs help now.

The Chairman: That is what we are concerned with and what we are asking you and others to help solve. You came here and you are very helpful in discussing the problem, but it is immediate. He is quite right when he said that time is running out on us. You see what is happening in other parts of the world. We cannot just sit by and close our eyes and our minds to a great number of things, for with us it is immediate. What do we do?

Mr. Walter: For the immediate, what do we do?

Mr. Gratwick: For the immediate, what do we do? I think we go back as quickly as possible to looking at the total resources we are committing, or think we are committing, in this general area at the moment, and try to establish what effectiveness they have and, realizing that those are the ones over which we have

some control, point them more clearly towards the general objective we are defining. That, I do not think, is a long term operation. I think you can make a very effective attack on that problem within six months.

The Chairman: On behalf of the committee, I thank you very much. I must say that this has been an exciting and challenging morning with an association that is new to us. We were not too sure of who you were, except that you were well sponsored.

Mr. Walter: Do you want our financial statement, sir?

The Chairman: What you said this morning was a little different from what we expected. You have given us a peep at the world of tomorrow. We like what we have heard, and we thank you very much for your brief and your presence here this morning.

The Chairman: We shall hear now from the Provincial Council of Women of Ontario. On my right is Mrs. Gordon B. Armstrong, the President of the Council. She will introduce her delegation, and then make a short statement.

Mrs. Gordon B. Armstrong, President, the Provincial Council of Women of Ontario: Thank you, Mr. Chairman. The delegates who are appearing today are Miss Mary E. Atkinson, who is the chairman of the Standing Committee on Laws, of the Provincial Council of Women of Ontario. She is a very active and busy solicitor in Port Credit.

Unfortunately, Mrs. Brigadier E. J. Falle of the Salvation Army is not present, because she is out today counselling young people.

Mrs. W. M. Marshall of Ottawa is present. Mrs. Marshall is a past president of the Ottawa Council of Women, and vice-president of the Provincial Council of Women of Ontario. She is also a very hard working member of the committee that prepared this brief, and we owe her a great debt of gratitude for the work she has done.

Miss L. Dorothy Martin is the executive secretary of the Federation of Women Teachers of Ontario, and she is also a vice-president of the Provincial Council of Women of Ontario. She has been most active in the preparation of this brief. In fact, it was the Ontario Teachers' Federation who produced her brief for us.

Mrs. J. B. Palmer is co-chairman of the Poverty Study Committee, and she has served at every level of

the Council, having been a past-president of the Western Council, and serving through the various offices at the provincial level, and is presently treasurer of the National Council of Women. Mrs. Palmer was a teacher who went back to university, and who graduated last year in anthropology.

Mrs. Henio Reio is from Hamilton, and is on the executive of the Provincial Council of Women of Ontario. She is also a member of the local executive, and is the chairman of the Standing Committee on Migration and Citizenship. She is one of our newest citizens in Canada, and she brings a wealth of experience in respect of new Canadian citizens. She is a teacher by profession, and a graduate of the University of Tartu in Estonia.

Mrs. W. A. Wood is the chairman of our Poverty Study Committee. She has had varied experience in the field of education, and in voluntary cultural and service organizations. She has served on many boards, and on a royal commission in Manitoba. She has served at every level—local, provincial, and national—of the council. She and her husband have recently retired, and have come to Toronto, where they are finding that the cost of living is much higher than it is in Winnipeg.

We also have Miss Dorothy Dale with us. She is a vice-president of the Provincial Council of Women of Ontario, and a very active member of the Business and Professional Women's Organization. She is also a public relations counsellor in Toronto.

It is my pleasure to present to you the members of my committee. We have also other members from the Ottawa area who are present with us today.

Mr. Chairman and honourable senators: the Provincial Council of Women of Ontario wish to thank you for the opportunity of presenting this brief to you. The 17 local councils of women and the ten federated associations who participated in the study of poverty, share the opinion that poverty is living in an environment in which one cannot cope with the accepted standard of living. It is also felt that the real value of this study will probably not lie in the ideas which are expressed herein, but rather will be measured by the extent to which we have changed those hard core attitudes which we, in our various communities, hold toward the poor. It will be measured by the extent of our realization that the solution to poverty does not lie in a proliferation of welfare programs as they presently exist, but rather in making good the claim that Canadian society is one of equal opportunity.

If social rights are to have real meaning then the standard of living of the aged should not decline while that of other citizens is rising, nor should prejudice, which often creates a barrier to restoring the disabled to active work, be tolerated.

Dr. Kessler, in addressing a symposium of the Toronto Rehabilitation Centre recently, said that rehabilitation, both of the elderly and the disabled, can unlock human potential. The physically handicapped often wonder whether governments consult the handicapped when they are making decisions on their behalf. The handicapped have the right to take part in our society.

Mr. Chairman and honourable senators, I would draw your attention, in regard to the elderly, to the United States International Executive Service Corps formed in 1964 by a group of American businessmen headed by David Rockefeller. They recruited experienced people recently retired for the purpose of serving on short term assignments overseas, working with local businesses which requested their particular expertise or managerial skill.

We mention this because of the involvement of women, although we are cognizant of the fact that there are comparable and like organizations in Canada. Nine of the volunteer executives have been women, one of whom was in her seventies. This lady went to Panama to advise a shoe manufacturer. Other retired persons have gone upon request to Iran and to Greece as hospital administrators, and to Honduras as a trade adviser.

Our responsibilities to encourage the use of talents gained over a lifetime by our elderly should be no less than our responsibility to prolong life through improved medical services and living conditions. Many of our retired citizens find it impossible to live in their own homes, because of the annual increase in property taxes. They believe that they should be exempt from school taxes, although they are willing to pay taxes for other services.

Presently in Ontario 45 per cent of the educational tax is borne by the provincial government, with a suggested 60 per cent by 1973. However, home owners still face the problem of provincial re-assessment of property at market value by 1975. Income, if based upon the present structure, will not increase proportionately. There will be a further burdensome load for the elderly to carry. Yet a program of uprooting these people and placing them in new surroundings would be far costlier in social services than if they were left in their own homes amid their own surroundings.

This study, completed by volunteers, also indicates a very real need for senior citizens' counselling service centres and a comprehensive medicare program, not only with premiums related to ability to pay, but covering the cost of prescription drugs.

In the survey recently made public by the Minister of Consumer and Corporate Affairs, the Hon. Stanley Ronald Basford, it was stated that the poor pay the highest average retail drug price in areas such as Vancouver, Winnipeg, Toronto, Montreal and Halifax. It is necessary that there be a more careful study of the costs of retail distribution and a closer examination of some of the large markups in many prescription drugs. It is imperative that in order to allow our senior citizens to live in dignity and as we would have them live, adjustments in old age security benefits be directly related to the consumer price index and the purchasing power of the dollar.

The studies show that the most severe hardships in our rural areas are suffered by those on marginal farms. For instance, if a crop is wiped out by weather factors the entire family must resort to part time work until the next crop is harvested. The cost of clothing for children attending school, the high cost of dental and eye care and other necessities appeared to take precedence over housing and food.

It was found that those who had the least to say about poverty were those who put forth the most determined effort to better their conditions and to hide the fact that they were poor.

In marginal farming areas there is need for both retraining and an upgrading of educational qualifications if the poverty cycle is to be broken. It is also necessary that day care facilities be made more readily available where the need is evident if women in such areas are to be able to take advantage of employment opportunities.

As is probably pointed out in three-quarters of the briefs you receive, it is not a revelation that housing remains as one of the major factors in prolonging poverty. Many homes which were intended for a single family are being converted into small apartments and rooming houses. This results in over-crowding and a deterioration of the rights of privacy.

In many areas zoning regulations are not adhered to, simply because to implement them would create greater hardships. Because of lack of available housing and the high cost of mortgage rates, the working poor find it impossible to own a home. A classic example is mentioned in the brief from the Kingstons area, where

a family had to do without a bathtub in their home for seven years in order to meet the mortgage payments.

A great disparity exists often between the income of the working poor and that of welfare recipients. The income of the latter is computed on the family unit while the income of the working poor is on set wage. If governments are concerned about poverty, as we believe they are, they will make sure that no man's net income is less than he would have received upon welfare.

The same disparity exists between those who are recipients of union wages and those who draw salaries as clerks, shopkeepers and in secondary industries. We are told that in Sudbury the average rate per hour for a 40-hour week in INCO is close to \$4. However, average rate per hour for non-union members under the legal minimum wage in Ontario is \$1.30 for a 48-hour week. Yet these people pay the same price for consumer goods in the market place. It is obvious that one group enjoys a higher living standard than the other. We ask why does this disparity exist and how can the gap be narrowed?

This study has also shown that low incomes are characteristic of families headed by women. Nearly half of all families with female heads rely on some type of welfare payment. This fact has important social and psychological implications for the individuals in addition to financial consequences for the family and the community. Many of these families could be self supporting if day care centres were available to these mothers or they were allowed to supplement the moneys received from welfare programs with additional earnings. It would also allow a measure of dignity and worth not presently enjoyed.

Even when the female heads of families do work the market value of their work is generally so low that the standard of living is severely reduced. Often poor education and the lack of occupational training make it impossible for them to break the poverty cycle.

Loneliness and feelings of inadequacy as members of the community often lead to withdrawal from society and create settings for further family breakdowns. It should not be necessary for a wife in a civilized society to have to police her husband for support. It is suggested in the brief that each provincial government set up a provincially administered maintenance award fund. Defendants would be compelled to pay their maintenance payments into the fund. Dependent families would receive regularly from it the maintenance awarded by the court, independently of the

amounts paid in by the estranged father. The onus for collecting and administering the maintenance awards should be assumed by the province.

It is also felt that the right to declare bankruptcy should be available to low income families as it is to business firms. This could provide a solution to many families who find themselves facing a lifetime of debt, which is often the legacy bestowed upon one-parent families.

The study revealed that there should be tax exemptions for day care services, not only for working mothers, but for the working woman who must employ someone in the home where there is a dependant requiring care.

A permanent commission or board on the status of women would further the cause of women as workers. Incidentally, this was a resolution presented by the National Association of professional and Business Women, and one to which we adhere.

Poverty with reference to the Indian and Metis people exists in education, health, economic development and social acceptance. This study indicates that one-half of the Indian population is 16 years of age or less, which suggests that education may be one of the keys to the solution of present problems.

One of the fundamental differences between Indian and non-Indian is the question of land rights. Until this question is understood by all and solved the Indian will never be fully integrated. The culture and philosophy of the Indian that land is for the use of all is diametrically opposed to the belief of the non-Indian that land is bought, fenced and deeded by law.

To be truly integrated as productive citizens our native peoples must be allowed more responsibility in shaping their own destiny. Of the 63 Indian superintendents across Canada only three are Indians. With Indians and the Government working together priorities could be established and understanding achieved. Employment on or near reservations should be encouraged by the establishment of small industries and manufacturing plants. More credit for the purchase of homes should be available for Indians who have established good work habits. It has been noted that the sense of ownership and achievement has done wonders to improve standards of living.

Discrimination, fear and distrust still exist between the Indian and non-Indian. The preservation and promotion of the Indian culture is equally important to non-Indians as it is to the Indian people. It is the heritage of all Canadians. Understanding and pride in

it would do much to alleviate the fear and distrust that still exist in both the economic world and the social environment.

Mr. Chairman and honourable senators, I have merely touched upon the material contained in the body of our brief. At this time may I thank you for the attention you have given to these remarks. We will entertain any questions you might like to ask members of the delegation or myself.

Senator Fergusson: I am greatly impressed by the tremendous amount of work that has been done to produce this excellent brief. We are very grateful to the Ontario Council of Women. I have very warm feelings for the Council, because I was President of the New Brunswick Council at one time, long before you would remember, Mrs. Armstrong. This was an unusual undertaking for one provincial council, and we appreciate it very much.

There are a number of questions I should like to ask. One thing that I have asked many other people who have appeared before us is this. You say that through your study you have come to understand a great deal more about the poor, and you are pleased that you have had this opportunity. However, we must make many, many more people aware of the things you have found out. Can you tell us how we are going to spread this out over Canada?

Mrs. Armstrong: First, may I say that I agree with you wholeheartedly. We as a council perhaps learned a great deal more than we may be able to offer you as a committee. The work contained in the brief is really the work of all the local councils in Ontario and federated societies; they are the ones who should take credit. This was done under the direction of Mrs. Woods and Mrs. Palmer.

We feel as women in our communities throughout Ontario we learned a great deal more about the problems besetting our own communities. We in turn changed many of our hard core attitudes. The people in coming to us learned that there was an organization or organizations concerned with the problems besetting them. My answer to your question is that we need better and more means of communication. Constantly in this brief mention is made of referral services at the community level, and information programs, whether it be for the elderly, the one-parent family or the Indian and Metis. Across the board we need better local communications, because there are many services and programs available to people if they could only be made aware of them. This was one of the major things we discovered.

Senator Fergusson: Your Ontario council includes, of course, a great many federated organizations.

Mrs. Armstrong: Yes.

Senator Fergusson: Through that it is not only the few here, but thousands of women.

Mrs. Armstrong: 100,000 women in Ontario.

Senator Fergusson: That is a start.

Mrs. Armstrong: Having learned ourselves has, I think, been one of the major steps, because so many of us were not aware of the problems besetting people caught up in the poverty cycle.

Senator Fergusson: In paragraph 23, at the top of page 21, in (b) you say that itinerancy is a cause of poverty. Do you think that poverty causes itinerancy or that itinerancy causes poverty?

Mrs. Armstrong: This is like the chicken and the egg, is it not? If there are itinerant people in our society today, they probably will at some point, if there is not employment for them, become poverty stricken. Again, if we make re-training and education available to these people, they have an incentive or a means to break that cycle. It is not just education but re-training, sometimes of an educated person, that is necessary.

Senator Fergusson: Then they would not need to move and be itinerant.

Mrs. Armstrong: No, that is right.

Senator Fergusson: You also mention that another cause is having too many children in the family. What access to family planning would there be? Would you know?

Mrs. Armstrong: This is a study that has come in, and I am speaking personally. In a small community there probably is not that much available by way of advice for family planning. I think in major cities, such as Toronto, Hamilton and Ottawa, there are centres where this information can be gained, or where it is available very easily. However, in smaller communities you not only run into the lack of information, but you may run into long-term attitudes that may possibly have to be changed in the future. This again must be done through education and understanding of what can be better for the whole family.

Senator Fergusson: Of course, with the variety of organizations you have, they would not all agree on whether it is good or not.

Mrs. Armstrong: No, definitely not. Again, it is a legal problem.

The Chairman: I understand that Controller Mallette had a solution to the problem. I do not know whether you endorsed it or not.

Mrs. Armstrong: He has been soundly reprimanded! I think he is in what you would call the doghouse at the moment in Toronto.

The Chairman: Senator Carter has to attend another meeting, as do most of us, although we are staying here. I think he should be allowed to put a few questions now before he goes.

Senator Carter: You may have answered my first question partly in your reply to Senator Fergusson. On pages 1 and 2 of the brief you speak of changes in attitudes. At the bottom of page 1 you say that certain attitudes towards those affected by poverty have changed.

Mrs. Armstrong: Very much so.

Senator Carter: Again, on page 2 you say:

... it will be measured by the extent to which we have changed, those hard core attitudes which we held towards the poor.

Has there been any significant change?

Mrs. Armstrong: Among us, yes, a very significant change. I would like Mrs. Wood to reply to this, because in compiling this material most of the comment came in not from the studies but from the council people themselves, which are definitely worth noting.

Mrs. W. A. Wood, Co-Chairman of Poverty Study Committee, Provincial Council of Women of Ontario: This came in a number of reports from local councils. We are so glad we undertook this study. We did not realize this before. We have learned such a lot, and we are so glad we did it. We did not know the types of poverty and conditions in which people were living, and the basic reasons behind these things. They felt that it had been a most worthwhile study, and that a whole new aspect of community life had been opened up to them. This is one of the purposes of the

Council of Women, to create an informed public opinion, and I think this has been a valuable experience.

Senator Carter: That is what I was getting at. This is the key to the solution, because there can be no solution to this problem unless we can change the attitudes of the public generally. You people are organized all across Canada. Do you see how to mobilize and attack on the public to change their opinions? That is something that must be done, and it seems that you people have the organization to make a big contribution to it.

Mrs. Wood: I think that is a challenge that we should consider accepting and doing something about. There are some national officers here who perhaps might present this challenge to the national committee of officers and the national executive when next they are in contact.

Senator Carter: We want you to go a little further than merely accepting the challenge. We want you to develop a commitment to tackle this problem. In your brief you recommend that the whole welfare system policy should be overhauled.

Mrs. Armstrong: Yes.

Senator Carter: Which change is the most urgent?

Mrs. Armstrong: In many cases there seems to be a duplication of services; there seems to be a lack of communication about where one reaches these services. We feel that welfare systems as we presently experience them are not working, and therefore they have to be overhauled.

Senator Carter: When you say overhauled, what do you mean—a little change here and there?

Mrs. Armstrong: I think you should take a whole new look at the welfare system. This is my personal opinion. Whether this means a change in tax laws, exemptions, or the ultimate granting of a minimum wage, I do not know. When you look at the welfare system you must look at the whole environment and not just one or two programs. The welfare system, if you want to use that term in the future, must be geared to the cost of living, the worth of the dollar, and it must fluctuate with the needs of society. It cannot be a steady thing as we have experienced in the past. What we have is outdated and not working.

Senator Carter: You said that our system should be overhauled, but what you just said means tampering with what we already have. You said nothing about guaranteed annual income.

Mrs. Armstrong: I mentioned a minimum wage.

The Chairman: No, that is not what he is questioning you about.

Mrs. Armstrong: I am of two minds personally when it comes to a guaranteed annual income. I do not know enough about it to answer properly. I do not think many of us really do. This is what I mean when I saw that it has to be part and parcel of our new environment and not one program alone.

The Chairman: You say you do not know very much about the guaranteed minimum income. None of us know very much about it, but would you say that the old Age Security is working badly? That is a guaranteed minimum income.

Mrs. Armstrong: This is a type of guaranteed minimum income. I do not think that it is working well, because it is not geared to the cost of living.

The Chairman: In principle?

Mrs. Armstrong: In principle, basically.

The Chairman: No one is suggesting that it is adequate and that it should not be brought up to date. That is a matter in which we are in agreement. We are now talking about principle.

Mrs. Armstrong: I think it is working well in principle.

The Chairman: If it is working well in principle for them and for family Allowance—that is a guaranteed income.

Mrs. Armstrong: Family Allowance is another question.

The Chairman: I am talking about the principle.

Mrs. Armstrong: I realize that.

The Chairman: Why then do you question the minimum income for other disadvantaged people?

Mrs. Armstrong: I do not question the concept of minimum income but I lack the knowledge to answer your question satisfactorily.

The Chairman: In looking at this list I thought that the university alumni was here. Every one of these women are university graduates and they are qualified beyond question.

Mrs. Armstrong: we may be aware of our limitations too.

The Chairman: Who should know more about these things than you people? What is the mystery to it?

Mrs. Armstrong: There is a great deal of mystery to it because this involves the running of the economy and it involves taxation and new concepts.

The Chairman: Mrs. Armstrong, you hit it on the nose. That is what I thought was bothering you, the question of taxation. That is what we are getting at, our class, your class—the middle class. We middle class people are starting to worry whether it will cost us money. Do you think it is something which this committee should overly concern itself about?

Mrs. Armstrong: I think you should concern yourselves with the fact that what we have is not working.

The Chairman: When you say the welfare system is not working you are merely repeating what everyone else has said here. We would like to have your views because we think you know what you are talking about.

Mrs. Armstrong: I am glad you do.

Senator Croll, we are submitting today the findings of studies from the local councils. We can speak personally, and I think the members of this committee are well qualified to do so, but what we are presenting here are the findings which have come in from these councils. We do not want to imprint our personal feelings on these findings. We would like to keep the two separate.

Senator Carter: Do I understand that to mean that a reference to guaranteed annual income would be deliberately omitted because none of your councils mentioned it or had any opinions regarding it?

Mrs. Armstrong: It was not deliberately omitted. It was not mentioned as such by many of the councils. There were other things which were not mentioned and that surprised me, one being the building tax.

Senator Carter: Forgetting the council for a moment, if you had to choose between increasing Family Allowances and setting up a guaranteed annual income based on the size of the family—a family of four would get an income somewhere along the line recommended by the Economic Council which—would by your choice?

Mrs. Armstrong: The guaranteed annual income.

Senator Carter: You would prefer that?

Mrs. Armstrong: Personally, that would be my choice.

Senator Carter: You have had some experience, I presume, with the scale of allowances in the welfare systems in Ontario. Do you consider them adequate?

Mrs. Armstrong: I think they are being constantly reviewed and updated, more so during the last year than in previous years. Again, there is a new attitude toward allowances and the necessity of increased allowances, according to the escalated cost of living. This, in itself, is a good sign and I think ultimately in our Province of Ontario we will be able to reach that point where they will be adequate. There have been many changes over the last year and a half in Ontario which are for the better.

Senator Carter: Have any of your councils made a study of the Canada Assistance Plan and how it is being used in your province?

Mrs. Armstrong: I cannot answer that. Miss Steadman is the First Vice-President of the National Council of Women. Do you know if there have been any studies on the Canada Assistance Plan?

Miss S. M. Steadman, First Vice-President, National Council of Women: Yes.

Mrs. Armstrong: This would be at the national level?

Miss Steadman: Yes.

Senator Carter: I do not quite understand. You said you have studied the Canada Assistance Plan at the national level? It does not apply at the national level, but applies at the provincial level.

Miss Dorothy M. Dale, Vice-President, Provincial Council of Women of Ontario: We may not have studied it in quite that way, but we have studied a

good many of the single facets of the Canada Assistance Plan. For instance, we are interested in day care and this is very much connected with the Canada Assistance Plan. I think we have studied a number of social welfare policies and these have certainly shown us what is done and lacking at the provincial level. Very often it is at the municipal level where education has to be done. We find this particularly true with day care and it is the municipal level which we have to perhaps stir up.

Twenty per cent may be somewhat high when setting the tax rate. We have studied it as councils and have been interested in the number of provisions of the act as they affect . . .

Senator Carter: You recommended day care. The Canada Assistance Plan makes it possible, but apparently Ontario is not taking advantage of it. Have you put any pressure on them?

Miss Dale: I would say very much so. At a number of our annual meetings we have devoted a great deal of time with the hope that the people will take back these ideas to the municipalities, and they have done so.

Senator Carter: Have you prepared a brief such as the one here and gone to the Government or the Minister of National Health and Welfare?

Miss Dale: Not as lengthy a brief as this one, but we have certainly presented briefs to the cabinet. I would say that we have spoken quite strongly about it and have had some success.

Senator Carter: You are recommending this, and it is possible, and the machinery is here to do it, and all you have to do is get the Government to use it.

Mrs. Wood: I would hope that this study has been done by municipalities and they could do even more.

Senator Fergusson: There is not much more that they can do but recommend it to the Government.

Senator McGrand: On page 20 you refer to "traveling people who are picking berries, raspberries", and you give what they earn. Then you say:

If, however, we are to have berries, fruits and vegetables, yes, and even tobacco, these crops must be picked and graded and packed by hand. Higher rates of pay for these workers would probably price these items out of the market.

That is just the problem we have. What would you recommend, to meet this problem?

Mrs. Armstrong: Again, this was a study which was made and which was submitted by a council. I think this comment, "if we are to have berries, fruits and vegetables, yes, and even tobacco, these crops must be picked and graded and packed by hand: higher rates of pay for these workers would probably price these items out of the market"—this was a comment that really came in from the committee, that even though we understood that the amount these people received for this type of work was insufficient, to increase it would also increase the price to the consumer. Here is the dilemma. We have not any suggestions as to how you can get around this. I do not know how you can get around it.

Senator McGrand: Is the number of these migrants that come in there picking berries and so on,—is it something like the "Grapes of Wrath", of some time ago. Is their problem increasing, are they becoming more numerous, are they encountering more difficulties as years go by? I think you mean that they become part of the "culture of poverty", eventually, if something is not done about it. Do you think they are increasing in numbers?

Mrs. Armstrong: This study did not indicate that they were either decreasing or increasing. It was only pointing out what was an actual fact. To answer your question, a survey would have to be made as to how many are employed in these categories today as compared to ten years ago. These studies we did not do.

Senator McGrand: These people in western Canada, they are mostly the metis and the Indians, are they not?

Mrs. Armstrong: This study that we are concerned with, as concerned with the Indians and the metis, was in the Brantford area.

Senator McGrand: The tobacco area?

Mrs. Armstrong: No, no. Delhi is a different part of Ontario, and that is a tobacco area.

Mrs. Wood: This came in in a report from Chatham and they were talking about the rural poverty and talking about these people who are share croppers and so on. They are those who do these hourly jobs, seasonal jobs. They mention this, to show the way these people have to survive.

Senator McGrand: There is a big difference now compared to the early part of the century when thousands of people in eastern Canada were desperate. It is a different thing.

Mrs. Wood: This is not that at all. These are local people who have these jobs on a seasonal rate. I do not have any solution to this. We are extending the format to California. There the strawberries are just not grown because there are no pickers and they import most of the strawberries from Mexico. This is what we are thinking of. If you have to pay people an hourly wage and it puts the price of this commodity out of the reach of the consumers, then how are they to live?

Mrs. Armstrong: This is the dilemma.

The Chairman: Is it a dilemma? I do not quite follow it. I found no difficulty. Are not people entitled to decent living wages? The very fact that we pay somebody two dollars an hour, is it my business to follow up what the consumer has to pay—if he is entitled to \$2 an hour?

Mrs. Wood: If you were in business of raising this crop and you could not sell it, you would be in the same position.

The Chairman: I know Essex and Kent so well. I know exactly what you are talking about—the vegetables, the Heinz people, the canning factories and what not. These people in that particular area only work part time, and it is usually the women. The men have other jobs. Usually it is the women and that complaint has been there a long time, not that it is not justified but I think they are entitled to be paid a decent wage. That is the answer to it. You must listen to your chairman, as I do, you remember what she said about Sudbury, you remember she said, that the people who are working for International Nickel are paid \$4 an hour and those who are not organized are receiving something far less.

Mrs. Armstrong: \$1.30.

The Chairman: I have marked down a question here, to ask what the solution to that is, but we will get that a little later.

Senator McGrand: On page 21 you refer to the rural poverty, where the crop may be destroyed or some other disaster may occur and you suggest retraining. I would like to know, retraining in what? It seems to

me that the only suggested solutions that come to us for rural poverty is retraining for industry. It seems to me that there is a limit to what industry can absorb in the retraining of people who are rurally oriented. With the increase of technology and the fewer number of people that will be involved in industry, I do not think it is any solution to say that these rural people have not much to do and they should be retrained for industry. I know that in one area there are 10,000 farms and it was suggested the number of farms be reduced to 1,500 and the other 8,500 farmers and their families be retrained for industry. Where is the limit that can be absorbed?

Mrs. Armstrong: Doctor, this was a study in which the findings came in to us. When we talk about retraining we do not necessarily mean retraining for industry. Some of the ARDA programs which have been released are excellent. It could very well mean retraining in the better uses of a farm. Under the new ARDA setup people on marginal farms can have their farms bought and they can move out into other spheres of life. They may be retrained for other methods of farming, how to get better use of the land, how to plant other crops, according to the needs of the community. It is not necessarily retraining for industry.

Senator McGrand: That is my idea of retraining, but the idea that comes to us usually is to retrain people for industry.

Mrs. Armstrong: No, we do not believe that. They can be retrained for many other things.

Senator McGrand: We will agree on that.

Mrs. Henio Reio, Chairman of Standing Committee on Migration and Citizenship, Provincial Council of Women of Ontario: Mr. Chairman and honourable senators, in my mind, we have to train people how to use money. Whether they have ten dollars or a hundred dollars, it is a fact that some people need more than others. It is necessary to have training in how to use money, how to go shopping, and how to make the best use of money and know what you are doing with it. Many of these people come from the other countries really and truly come with empty pockets, and they are learning here how to succeed. It is especially necessary to train each woman how to be the finance minister at home, and how to be a very good finance minister. I believe that this would bring about some kind of solution to the problem.

Senator McGrand: What you mean is to train people to make the best of their environment.

Mrs. Armstrong: Oh definitely.

Senator Hastings: I would just like to return to where Senator Fergusson ended and compliment the ladies on their excellent brief. As I understand it, you are presenting here the findings of your local councils, and you state that probably the greatest contribution you have made is the education of yourselves to change the hard-core attitude which you held towards the poor. Now, in my opinion, that is one of the prime objectives of this committee; we have to change the attitudes of the middle and upper-income Canadians towards their obligations to the poor. Now can you tell this committee in the light of your experience how we could better perform that task?

Mrs. Armstrong: Going back to the hard-core attitudes, and whether this is because of the depression here in Canada or not, I don't know, but many of us who made it by virtue of hard work, skill and so on, and so forth—we did not have as industrialized a society or the society of technology that we have today—so the attitudes were—"well, fine, if you were starving, it was because you were either lazy or shiftless and just not worth saving." This attitude has prevailed among many people, and really it is a scapegoat. You can label it and say "this person is poverty-stricken because he is lazy." But we have found out during the course of this study this is not now necessarily true. They may be poor because of the society in which they live and because they have not been trained to be able to cope with this environment, and they have not had the education or the equal opportunities to be able to lift themselves out of it. They may perhaps have come from a rural economy into an industrialized society where they have not been able to move from one sphere of activity or labour to another. You ask me how we can change this. I think the biggest change is made when we change ourselves, and when we sit down first as a community, then as a province and then as a nation and express this feeling through our publications, and through the media. Then we may be able to sit around a table with these people who are in this environment and listen to them and work together with them toward eradicating poverty. I think this is really our main task, because merely to bring up program after program just to create an existence for people is not really solving the problem.

Senator Hastings: I agree wholeheartedly with what you are saying, but will you tell us what we should do about it?

Mrs. Armstrong: Well, we have found and some of our suggestions are that there should be referral services at the community level.

Senator Hastings: But I am not talking about communicating with the poor; I am talking about communicating with people other than the poor.

Mrs. Armstrong: With our own people, yes I know. But remember that many of our own people fall in that classification known as the working poor, and I think that sometimes the working poor have to change their attitudes as well. Some of the middle-class people today could really be called working poor because of their environment, our taxation system and the heavy load we have to carry. We are now being dropped to that level. Therefore I do not think that one can say that any particular class has to be communicated with in order to change the attitude. We all have to change.

Senator Hastings: But I think the big change has to come in the middle and upper income groups.

Mrs. Armstrong: Yes, but the only way you can do that is through better communications, through better use of public service broadcasting, through the C.B.C., through your local newspapers, through your local community organizations, through your national organizations—in short, the only way you can do it is through people and you must reach people through every means possible.

Senator Hastings: But your organization has had a change of attitude towards the poor.

Mrs. Armstrong: Yes, very much so. Perhaps not so much a change of attitude as a cognizance of what actually exists. I do not think that many of us held, let me say, a snob attitude. I think it was that we were unaware of the totality of the situation.

The Chairman: I think Mrs. Dale wants to say something.

Mrs. Dale: When you speak of a change of attitude, I would like to comment on what Senator Croll said about these people picking the strawberries and having no right to adequate payment for their job. I think sometimes women are to blame for low rates of pay in

service industries, and in that connection I can tell you a story about a roast of beef. I had a group in for dinner one night and I served roast beef. It was the holiday season and so I went all out and got a roast of beef. One of my guests who has a great deal more money than I enjoyed it thoroughly and she said, "My, that was a good roast of beef; I have not been serving beef; I have been serving chicken." Now, I think she can afford to serve beef. I think sometimes we as women are loath to spend our money and channel it into industries where there are low rates of pay such as the farm economy. Taking strawberries, for example, we do not want to pay the amount of money asked for because we feel we should pay what we paid in 1929. Therefore I think that women are to blame for some of these low rates of pay, but that is a personal opinion. I do not know if it is valid or not.

The Chairman: Anything you say, Mrs. Dale, is valid.

Mrs. Dale: I think women can be educated to be fairer in the way they divide their money.

Senator Hastings: In the light of your study, do you feel that the affluent or upper-income Canadian is ready and willing to help the poor?

Mrs. Armstrong: You are asking me to make a judgment which really is not a fair one.

Senator Hastings: Well, I would like to find the change of attitude, Mrs. Armstrong.

Mrs. Armstrong: Let us say that according to my personal observation and my discussions with people in many brackets, there is a definite change, and I think they are very much aware that they are their brother's keeper—that the time has come, if we are going to be a productive and great nation, that we must concern ourselves with those who are less fortunate than we are. Not only that, but there is a very practical aspect as well; if you have a productive nation you have a rich nation.

Senator Hastings: I am glad you answered the question in that way. Now you have made, in the light of your study, a great many recommendations, many of them being very worthwhile. Carrying on from what you have just told me, would you say that the upper and middle income Canadians are prepared to back that up with higher taxation?

Mrs. Armstrong: That is loaded, isn't it?

Senator Hastings: Are they their brother's keeper to that extent, or does it stop short of that?

Mrs. Armstrong: Let us say that I would presuppose that, as good citizens, they would feel that they probably could.

Senator Hastings: That is a very loaded answer. In the light of your studies and findings, which reiterate what we are finding and what the Economic Council is finding, what do you propose to do now that you have presented the brief?

Mrs. Armstrong: Perhaps we will wait and see what your suggestion is and then maybe we will come back.

Senator Hastings: I do not think we can wait and see very much longer.

Mrs. Armstrong: I agree. I do not think we can afford to wait. But I think now that this study has been made and examined, it will go back to Council—

Senator Hastings: I do not think we can wait and see much longer.

Mrs. Armstrong: I agree, I do not think we can afford to wait, but now this study has been made and has been presented, this will go back to councils and probably some of the recommendations will come in—in fact, I know some of them will come in next year—as suggested resolutions which will be incorporated in a brief presented to the provincial government, or, in some cases, sent to the National Council of Women to be presented to the federal Government by way of resolutions, and these are suggested changes that we as a council feel would be in the best interests of our people.

Senator Hastings: You are not prepared to make a commitment to work with the poor in your local councils?

Mrs. Armstrong: Yes, we are prepared to make that commitment any day, and we have accepted that commitment. This is the work of Council.

Senators Hastings: Working with the poor?

Mrs. Armstrong: Yes.

Senator Fergusson: Do you feel that the interest that has been aroused in your councils is not going to die down just because you have presented the brief here?

Mrs. Armstrong: Definitely.

Senator Fergusson: You will continue, and you have a channel to both the provincial and federal governments, and you will probably make us of that?

Mrs. Armstrong: Yes. As a classic example, you will find that the Toronto Council suggested a referral service.

The Chairman: What do you mean by a referral service?

Mrs. Armstrong: A referral service or an information centre where people can go to seek information about where do they go for legal aid, where do they go for help in this area, where do they go to seek housing, where do they go to seek information on a variety of topics.

In St. Catherine's they have become very concerned with the elderly, and St. Catherine's submitted a very good study. They are thinking in terms of a program at their local level next year by virtue of what they have gained from this information.

Throughout Ontario you find local councils instituting in their own communities various programs to deal with many of these recommendations.

Senator Hastings: Would they go so far as to organize the poor at the local level?

Mrs. Armstrong: This has been suggested, that this is a new means of both suggested, that this is a new means of both communication and understanding that in the past we have not had, or many organizations have not moved out into the environment and organized definite groups. But the feeling now among many councils is that this is the best way to do things to move out among these various groups of people where there is a need, and work with them, teach them how to approach different agencies, how to approach Government, how to prepare a brief, in order to alleviate the conditions they may be suffering under. This is part of our responsibility in Council and in that way we will be moving out and working with these various groups.

The Chairman: Mrs. Armstrong, how many people have you in your organization who are on welfare?

Mrs. Armstrong: I cannot answer that; I do not know.

The Chairman: Do you suspect you have any?

Mrs. Armstrong: I think that from time to time in local councils, yes, we have had people who have been on welfare. At the provincial level—I am just thinking back and I cannot think of anyone who might have been—perhaps at some stage during their lifetime, if there has been a family problem or the head of the household has been out of work, or it is a one-parent family situation, but I think in local councils they could give you a better answer to this question, and this could very well be so.

The Chairman: The feeling we have reached here in the course of our hearings—which have gone on for a year—is that organizations such as yours and other great organizations have to reach out and involve the poor in an active sense at the top level, in minority numbers but at the very top decision-making level.

Mrs. Armstrong: Yes.

The Chairman: You are not going to get anywhere with them unless they are participants in decision-making.

Mrs. Armstrong: We agree. Again, this has been shown in studies, for instance, with the Indian people. I certainly did not know that there were 63 Indian administrators across Canada, only three of whom were Indians. I think this is ridiculous. If Indians are going to be concerned with Indians, why do we not have more Indian administrators? I think the same applies in many areas. With regard to the handicapped, for instance, who best can speak for that group of people but the people who are suffering from various afflictions? I think this has been one of our problems in the past, that in organizations and in Government we have told people what they can have or what they should do, rather than ask them.

Senator Inman: Mr. Chairman, I would like to endorse the complimentary remarks of Senator Fergusson with regard to the brief. I have read it through and I find it very complete and very interesting. On page 21 you speak of day nurseries. It is your recommendation that day nurseries be made readily available, and so on. Just last night I was reading an article about unwed mothers, and I believe many doctors and medical authorities today recommend that these mothers keep their children, if at all possible. I also read that a girl would have to earn between \$80 and \$90 a week in order to support her infant. This could be poverty. This is an area where there is great poverty. Have you ever given any thought as to how they could be helped?

Mrs. Armstrong: That point has not been brought out in the study. It may be brought out under the one-parent family, for instance, let us say, where a woman may have a family, may have been living common law and where she has been an unwed mother and suddenly she is faced with the problem of bringing her children up, schooling them and seeking employment and not being able to find day care centres, and so on and so forth. But as an express point of an unwed mother, this has not come up in this study.

Senator Inman: I think I read that there were 130-odd thousand in Toronto alone last year—

Mrs. Armstrong: I would not doubt it.

Senator Inman: —and in other comparable cities.

Mrs. Armstrong: I think Miss Atkinson wanted to reply to this.

Miss Mary E. Atkinson, Chairman of the Standing Committee on Laws, Provincial Council of Women of Ontario: I am a lawyer and I act for unwed mothers who are under 21 who give up their children for adoption, and I would say in the majority of these cases the girls are capable of earning between \$45 and \$50 a week. There is no way they can afford to bring up a child in these circumstances. In many cases it is very difficult even for the unwed mother to get welfare—the particular welfare officer has a prejudice against illegitimate children—and this is very difficult and it is an area that could well be looked at. Whether these children would be subsidized, again I do not know the solution, but it is a very serious problem.

Senator Inman: I know that is an area where there is great poverty, because sometimes a girl is rejected by her family and she wants to keep the child, and today I think the thinking is that the child needs the love of the mother.

Mrs. Armstrong: The mother can give the child much more than any agency or any other person.

Senator Inman: On page 18, in speaking of rural poverty, you say:

The most severe hardships are suffered by those on marginal farms.

I was interested in what assistance they should receive from Government—subsidization making it possible for them to continue farming on small farms.

I am rather interested, because that movement is going on in my own province of Prince Edward Island now.

Mrs. Armstrong: This study on page 19 came in primarily from the Georgetown area, did it not, Mrs. Wood? And I think when they were talking about marginal farms, again here—

The Chairman: A marginal farm around Toronto is quite a different thing from one in Prince Edward Island.

Mrs. Armstrong: Yes, we do not have as many potatoes, for one thing. But, I can see where it would be a greater problem in your area than it probably is in Ontario. We do have marginal farms in Ontario and we do have problems, but in many cases there is an industrial centre that is not too far distant and there is help forthcoming in many areas, whereas in your province there would not be the same amount of help forthcoming.

I wish I had the new ARDA program here, because some of the recommendations set out for occupants of marginal farms are very good. If a farmer has a marginal farm and wants to get out from under then there is Government assistance available that will allow him to do this. There is also provision for retraining by way of education. This is a study submitted by them, and they talk about affects the rural poor, and surprisingly enough it was not housing or food. Many of them have their gardens in which they grow their own food.

In Ontario, at least, a marginal farm usually has electricity and many other facilities of a good living environment, but they do have problems. For instance, they cannot outfit their children in the same way that the children in the towns are outfitted, and so the children suffer. If there is a breakdown of the family car then there is not enough money to repair it. If they have to have dental work done they have not the funds with which to pay for it, although this may be eased in future medicare programs. I think our concern here was that there be retraining, but not retraining for industry. We submit that there should be retraining to enable these people to cope with the environment in which they choose to live. Many of them choose to live in farms areas, and I do not blame them. I would love to live on a farm. They are happiest in this setting, and they should be trained to live within that setting. We should be thinking in these terms. They should not be retrained to move out of that setting in which they are happiest.

Senator Inman: I agree with you. That is true. On page 56 you recommend that the Government establish a permanent commission or board on the status of women. I thought that the women's branch of the Department of Labour had established that.

The Chairman: Is not that under study at the moment by a royal commission chaired by Mrs. Bird?

Mrs. Armstrong: Yes.

Senator Fergusson: But they are recommending that there be a permanent commission.

The Chairman: Is not that what the royal commission is studying?

Senator Fergusson: Yes, but they have the right to make this recommendation.

The Chairman: Yes. This is helpful, is it not, to Mrs. Bird's commission?

Senator Fergusson: Certainly.

Mrs. Armstrong: You must remember that this study was made over the past year, during which a great deal has been done within the Department of Labour. For instance, there is the new labour legislation that is coming into force in Ontario in the Department of Labour. There has definitely been an advancement when it comes to representation.

Senator Inman: I am just wondering whether this recommendation is not redundant.

The Chairman: Yes, it is very helpful.

Senator Fergusson: Mr. Chairman, I do not think you understood Senator Inman's point. What she is trying to say is that we now have a women's bureau in the Department of Labour, and she is asking whether this recommendation is redundant. Would not the women's bureau cover everything that would be done by a permanent commission?

Mrs. Armstrong: In other words, you are saying that this is superfluous.

Senator Fergusson: Yes.

Mrs. Armstrong: Well, it is coming in, as you have mentioned, but this is part of the study that was started a year ago.

Senator Fergusson: I would like to say something on that. I think that a permanent commission that would be investigating and looking after all the things that the Royal Commission on the Status of Women is investigating, is a much broader thing than the women's bureau which only looks after women who are employed. There are many other problems that need to be considered.

Mrs. Armstrong: In the Province of Alberta, I believe, they have a department or a women's bureau which covers fields other than that of labour. I think that when this original resolution came in from the business and professional women their reason for asking for it was to give leadership and encouragement to women, and to assist actively in the enforcement of rights already achieved by women in the employment field. This has been covered recently by our new legislation concerning such things as equal wages for equal work, and that type of thing. These were the basic reasons for this original legislation. But, I can see your point, and where this would carry over into other fields and be much broader in its implementation.

Senator Fergusson: The women's bureau looks after problems of women who are employed, and there are great many other women who have problems in Canada.

Mrs. Armstrong: Yes.

The Chairman: You spoke of ARDA, and Senator Pearson is the man who headed the study which was responsible for the creation of ARDA. He has some questions to ask you.

Senator Pearson: This brief covers a tremendous number of things. You have made a very deep study, apparently, of problems in the Province of Ontario. How many different units of the Council of Women are there in Ontario?

Mrs. Armstrong: There are 17 local councils, and there are ten federated societies.

Senator Pearson: What do you mean by "federated"?

Mrs. Armstrong: Well, the Council of Women is an organization which is a nucleus of other organizations which may also belong to it. You have provincial councils and local councils in each province and most of the major cities, and then you have federations of the women who share like programs and like interests, and who band together and who join either the local council or the provincial council or the

national council, according to how they are constituted. I believe in Ottawa they have almost 83. Is not that correct, Mrs. Gertsman?

Mrs. S. L. Gertsman, President, Ottawa Council of Women: We have 72.

Mrs. Armstrong: At the provincial level we only have ten. At the national level they have another number. The associations range in interest from business and provincial women to the Salvation Army, Jewish organizations, the Ukrainian-Polish Women's Alliance, the Women Teachers' Federation—Miss Martin is here representing the Women Teachers' Federation of Ontario—the superannuated teachers, and there are many other organizations of similar and like interests at the local level. At the local level you have broader interests, but it depends upon the community and the organizations that are set up in that area.

Senator Pearson: What dealings have you had with Indians in Ontario?

Mrs. Armstrong: Very little, unfortunately. I attended an Indian-Eskimo conference a year ago in Toronto, and I was quite impressed by the work that they have been doing. I suggested that instead of growing inward they should be growing outward, in that their people should be joining other organizations so that they could share their problems and their culture and their likes and dislikes with others who perhaps are not aware of them. This question of land rights, I dare say, is understood by only a very few people in Canada. But, if Canadians in general could understand the culture behind the very strong feelings of the Indian people over land rights then perhaps some of our opposition to the Indian peoples would be totally different. I feel that it is only a matter of understanding the difference concepts. On the other hand if we understood more about their culture then there would be less fear and less distrust, and there would be a better working relationship.

I asked one lady who joined us for lunch why they did not join the Provincial Council of Women as an organization. She replied that they could not do that. I told her that there was no reason in the world why they could not and that we would be very happy to have them and know about and help to solve their problems. They are Canadians and what bothered them bothered us from a practical and sociological standpoint.

She said they did not feel that they could get up and speak and would be looked down upon. Many of them

have the attitude that they are not good enough to thake their place in society.

I suggested that the more they went outward and joined society the more of their problems could be erased. All of us would gain a better understanding and be able to assist in the solution to problems not just of the Indians and Metis people, but of other groups. They did not feel that they were confident enough, or that people would listen to them.

Senator Pearson: The Indians are a rural people—

Mrs. Armstrong: They are a land people.

Senator Pearson: Most of the people who try to assist them are from the cities. This scares them and they cannot talk to them. Indian children are sent outside their reserves to school with white children and become scared right away. Eventually they leave from grade three or four.

Mrs. Armstrong: I made a facetious remark at the time that we should send some of our own people to live on a reservation. It is not so facetious, as in that way we would better familiarize ourselves with their problems.

Senator Pearson: That is taking place now. A teacher from Regina lives in a trailer on the reserve and teaches school. This is one way of getting to the Indians.

Mrs. Armstrong: I also pointed out to this Indian group that they were wrong in the assumption that they alone had to preserve their culture. I told them that they have the responsibility and we an obligation to preserve it. Their culture is also ours and our children's heritage. This is Canada and what they are preserving we also have a right to have by virtue of the fact that we are all Canadians.

This particular group had not given much thought to the fact that we have an obligation and they a responsibility to Canadians, not just to Indians, to preserve it.

Miss L. Dorothy Martin, Vice-President, Provincial Council of Women of Ontario: With respect to the matter of having a permanent commission for women, I would certainly agree with what Senator Fergusson said.

I am rather a feminist because I head a women's organization, I suppose. However, I really do not like

this business of a women's bureau or a page in the newspaper.

Women are 50 per cent of the population and I do not know why we should have—

Senator Pearson: Only one sheet in the newspaper

Miss Martin: I think we are entitled to the whole newspaper just as much as are the men. There should be a permanent commission to look out for women all the time. They are forgotten.

Senator Pearson would be interested in this. I think the Council could take a little credit for what we do as women teachers in our organization in Ontario. We do actively help Indian boys and girls to stay at school. We ask the secretaries of schools to let us know of any Indian children they may have who may not feel they are as well dressed as the others. We send money to these children through the teacher. After a while we automatically send them a cheque every month or so. Sometimes we help the mothers and little children. We buy toys or skates for the school. That may sound paternalistic, but it does help them to stay in school and feel more like the other boys and girls.

Senator Fergusson: Recommendation No. 3 on page 36 of the brief states:

That a study be undertaken of the disparity in income between persons belonging to unions and those who do not.

Maybe, Miss Armstrong, you do not know why this was suggested, but what good would it do? Can they make any recommendations even if they do carry out a study as to the disparity between the groups?

Mrs. Armstrong: I honestly do not know. We are cognizant of this disparity and the fact that it is a contributor to poverty.

The Chairman: Could you guess at the origin of this recommendation?

Mrs. Armstrong: This came in from several sources. It is something that I am primarily concerned with. I think there is far too much disparity, but that is my personal observation.

The Chairman: No; no, it is a very pertinent observation.

Senator Fergusson: There is a recommendation that Indians be appointed to civil service positions which have to do with the administration. You state that

there are now only three Indians in such positions out of a total of 63.

Is this acceptable to the Indian people within the present structure? Recently I listened to the Indians from Alberta making a presentation to the Prime Minister. They want to change everything. I do not think they would care very much to have an Indian appointed to administer what now exists.

When an Indian accepts a position such as this, does he not rather put himself on the wrong side of the fence as far as his own people are concerned?

Mrs. Armstrong: This is a study from Brantford. Many of the opinions of Indian people in Ontario are totally different from those held by Indians in other parts of Canada.

Even within the Indian groupings in Ontario there are totally different opinions. However, I think the general concern is that if the Indian people are going to have a say in their future in Canada they could better have it by being put into more responsible positions in a better ratio than 63 to three.

This is a general opinion, but when you point out what happens out west and ask would this be a good thing, it is debatable, because there are many factions within the Indian people.

In some cases I would agree with you.

Senator Fergusson: Some of them think they could work better within the present organization.

Mrs. Armstrong: Yes.

Senator Fergusson: There is a very great diversity of opinion with respect to this.

Mrs. W. M. Marshall, Vice-President, Provincial Council of Women of Ontario: It might be an education for the Indian when he enters the organization and discovers what goes on, its workings and how these things are of benefit to Indians. This was our experience when we went out and discovered aspects of poverty with which we were not previously familiar.

Mrs. Wood: I will explain the context out of which his came. We had three submissions from Brantford. The one from which this came pointed out the feeling of trouble, discontent and misunderstanding which exists between Indians and non-Indians arises from past experiences with those who are in charge of the reservation.

The Chairman: That is the Indian agents.

Mrs. Wood: Yes. It was pointed out that there would be an improvement if, now that Indians are becoming better qualified for these positions, they were to become the civil servants responsible for the administration. I read in the paper the other day that the University of Western Ontario gave an honorary degree to Joseph Charles Hill, who had been superintendent of education on this nation's reserve for a number of years. I think he began in 1946. At the time he started there were 17 attending high school and now there are 407. In that period of time they have had 90 Indians graduate as teachers, 18 as doctors and four as lawyers. This may be an exceptional nation of Indians, I do not know, but it is an outstanding record. The University of Western Ontario was recognizing this man, who had been the superintendent of education there, an Indian.

The Chairman: Of course, the Brantford reservation is an exceptional one, as I believe every one of us knows.

Mrs. Wood: But this is an example of what can be done.

The Chairman: Yes, it can be done.

Mrs. Wood: This can be done if there is an Indian in charge directing the program.

Senator Hastings: I should like to comment on recommendation 17, on page 6, referring to greater encouragement for education,

... by initiating training for children, who are victims of the poverty culture, which would enable them to escape from the poverty cycle and would create in them a desire to escape.

I wonder if Mrs. Armstrong or any other of the ladies here have any specific program in mind for instilling an incentive to escape. Would you tell me how you would do it?

Mrs. Armstrong: That is well put. This was a suggestion that came in. Our feeling as a committee was that often third and fourth generation people find poverty and welfare a way of life. If you want to be analytical and practical, you could perhaps forget about the 40- to 50-age group, because ultimately they will come into social programs which will take care of them. If we are ever to break this cycle in Canada—we are concerned primarily with Ontario—we have to get

to the young people; we have to provide incentives to them through education or other programs that will open their eyes to the opportunities available to them in the province, so that they will become self-supporting and self-sufficient, and have incentive, and not feel, "Well fine, I can always fall back on welfare programs".

Senator Hastings: I agree with you, but I want you to tell me how you are going to do this.

Mrs. Armstrong: It will have to be done through an educational process of some description, whether through the school system, Headstart programs, or through a community project that would take the children out of that environment and expose them to other factors in another environment. For instance, take them on trips, to places they might not otherwise go, to stimulate their thinking and their incentive. I think such programs will have to be brought in if we are ever to break this third or fourth generation cycle.

Senator Hastings: I appreciate this. I believe the only way to break this cycle is to instill the incentive, but I just do not know myself how you instill in a child whose father was on welfare the incentive of the value in education, when everything around him tells him he is beat before he starts, he quits before he starts, and he is a school drop-out at 16. I would like to know how you instill an incentive in that boy.

Mrs. Armstrong: That is a big problem. It is a psychological problem too, because there is the other side of the coin, that if you instill this incentive in the child he or she has to go back to that home environment; there is a breakaway from the family there. Even though we say that at certain age groups there is a write-off, if you want to be analytical about it, you still have to keep the incentive within the child such that he respects his parents and understand the environment. It is not a case of instilling just an incentive for him to get out of it. You also have to instill an understanding of why you want him to get out of that setting or environment; it is for his future, but he must still understand why his parents are in that environment. There is great concern that you do not go too far the other way.

Senator Hastings: I appreciate the problem. It is the answer I want to know.

Mrs. Armstrong: I know.

Senator Hastings: What would your views be, or those of any of the ladies—I would like to hear any views—on the payment of a meaningful allowance to high school students of, say, \$50 a month. I am just using a figure. I am talking of a meaningful allowance, in consideration of them fulfilling the school term with satisfactory marks, in order, as an incentive, that he remain in school; give him enough money so that he can be part of the school system instead of a drop-out.

Mrs. Armstrong: My personal observation would be that you are treading on dangerous ground.

Senator Hastings: Why?

Mrs. Armstrong: You will have more paid high school students attending high schools for the sake of collecting the cheque than they are for education.

Senator Hastings: Mrs. Armstrong, I was paid to go through university by the Government of Canada.

Mrs. Armstrong: Yes, but I think when you arrive at the university level you are mature enough as an individual to understand and to cope with it. But many children—I call them children—who are in high school today are not mature enough to be able to cope with this. Some are. Nevertheless, I could quote an example from a small town, which happens to be Brantford, where a local alderman, who is a member of our council, said she was dismayed a year ago that many of the young students found a way out; they would leave home; three or four would get together in an apartment, collect a welfare cheque, which they could collect just as long as they attended school. They attended school, not to get an education, but to collect the moneys.

Senator Hastings: Of course, there will always be an abuse of any system you institute, but I am prepared to say that a child of 16 to 20 today is quite capable of handling \$50 a month, and a large percentage of them are spending \$50 a month, from the upper income groups.

Mrs. Armstrong: Some are spending \$50 a week never mind a month. Personally I do not think it is a good idea.

Senator Hastings: You do not think it is a good idea to give a child enough to be part of the system?

Mrs. Armstrong: I think if a child is faced with a dilemma of having to leave school and wants to continue his education, is aware of his responsibility,

is aware of the fact that in order to, if you want, survive or to get an education he must have these moneys, and if a proper authority can sit down with him—a member of the school board, of the school staff, the counselling staff, or someone who is competent to speak with him, aware of the fact that these children realize that they have a need for education but in order to get it they must have these moneys—then I agree with you that these moneys should be made available. But to bring it in as a general scheme, no. Personally I would not go for it.

Senator Hastings: Of course, I am not in favour of the means test, but if any child is certainly in need of it . . .

Mrs. Armstrong: If there is a need, yes.

Senator Hastings: . . . and he wants to continue his education, displays his ability and his intent . . .

Mrs. Armstrong: In that case I would agree with it, but not as a general suggestion.

Senator Hastings: You would not agree with it as family allowance?

Mrs. Armstrong: No. That is a personal view.

Senator Hastings: Do any of the other ladies have any views?

The Chairman: Mrs. Palmer and Mrs. Reio want to say something.

Mrs. J. B. Palmer, Co-Chairman, Poverty Study Committee, Provincial Council of Women of Ontario: I was thinking that where we could create an incentive, we could pick up the challenge of Senator Fergusson, possibly by making our neighbourhood organizations—and our local council is an organization in that community—draw these people into our organization so that there would be a neighbourhood pride. Possibly in that way they might get an incentive to get out of this poverty cycle, by really strengthening our neighbourhood organizations, voluntarily or otherwise.

Mrs. Reio: I say that if people do not come to you, you go to the people. I believe Senator Croll has done a wonderful job in having this committee established. Also Mrs. Armstrong at the provincial level and people at the local level have done valuable work. These are small groups all over. We have talked to them and we found out that they are just the same human beings as

we are. In visiting their homes you see their needs and that they are not just without money, but without jobs. These people are so bitter inside that they forget they are in this great nation, this wonderful country.

I am from Hamilton. We had a meeting attended by 200 men and women. They would say, "Look, we are just the same as you. We are just the same human beings." That gives them strength to live. We must strengthen them inside and take out this bitterness against somebody else. When we do this I think we will have a wonderful solution.

These small groups are working at every level. I strongly believe that one day we will not have any more trouble about someone being poor. Certainly we will have the poor because there will always be people who do not know how to spend their money.

Now that this committee is in existence, people are reading the newspapers and they know someone is interested in them. They feel that they are a part of society. In Hamilton they really appreciate what we are doing. If we can work this way together it will help the Indians the same way. Sometimes one is so dark inside that he does not know how to come out. If someone comes along and gives you a lift you think that things are not so bad and that tomorrow there will be sunshine. This will happen if we all work together. Thank you.

The Chairman: We have had a good morning. I feel that everyone has had an opportunity to say whatever it was he wished to talk about. I must compliment those who made it possible to draw up an excellent brief, and Mrs. Armstrong for presenting it so well and understandably.

I would like to say to the last speaker that we too appreciate what people are doing. You are making it easier for us and for poor people. I cannot tell you what you should do, because you know best. There are things which trouble us. We are troubled by the fact that you and people like you, including myself and others, have so long been unaware of what has been going on right under our very noses. When you finally face up to the fact, in your quiet moments, you wonder just what you have been doing all the time and how this could have been possible. It is not your fault, but you can help in correcting it. One way to do this is not by waiting for them to come to you, but for you to go to them. It has been said that there is animosity against the environment. You have got to get to the poor and draw them to you. When you have done that half your battle will be over. That is one of the things you can do very well.

On behalf of the committee, I thank you and the other councils.

Mrs. Armstrong: I might say that this brief is the work of all the councils. Thank you.

The committee adjourned.

APPENDIX "A"

BRIEF on

THE PROBLEM OF POVERTY IN CANADA

Submitted to the

SPECIAL SENATE COMMITTEE ON POVERTY

by the

CANADIAN OPERATIONAL RESEARCH SOCIETY,

P.O. Box 2225, Station D,

Ottawa, Ontario

16 June 1970

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INTRODUCTION

1. "Turning to our domestic problems, perhaps the most intractable is the continuing poverty of far too many of our citizens ... This problem, however, is one which goes back into our history and which is made more acute by our geography. Even in a unitary state with unlimited funds and manpower we could not eradicate it in a short period. But if we are to live up to the expectations of the Canadian people we must make the best use of available techniques and devise new and better ones to deal with this cruel and costly blemish on our increasingly wealthy society."¹
2. The Canadian Operational Research Society (CORS) is a national society whose object is the advancement of the theory and practice of Operational Research in Canada. Operational Research (OR) is a science that is devoted to describing, understanding, and predicting the behaviour of man-machine systems operating in industrial, military, and governmental environments. It is sometimes defined as the application of the methods used in science to the problems encountered by organizations.
3. Appendix I describes the history of OR from its beginnings during World War II; and important aspects of operational research methods and practice that are bringing increasing benefits in applying the systems approach to organizational problems in industry, government, and the community.
1. Commons Debates, Hansard, September 16, 1968, p.68 (Mr. Trudeau speaking).

4. The Canadian Operational Research Society was founded in 1958. Dr. Omond Solandt, one of the founding organizers, was elected its first President. Society membership has grown during the 60's at an annual rate of 15%, and now totals close to 800 individuals. The national society holds an annual meeting where national members gather to disseminate and exchange new information on OR in Canada. It publishes a technical Journal three times yearly that is sent to all members and to about 700 subscribers in some 30 countries around the world, and is a charter member of the International Federation of Operational Research Societies. Active local sections of the society are organized in six major Canadian centres including Halifax and Vancouver. They hold regular monthly meetings where contemporary OR research work and interdisciplinary studies and problems are vigorously presented and discussed by society members and other interested individuals. These individuals are sometimes professionals who represent other physical and social science disciplines. More often they are managers and decision-makers in Canadian business, government and public institutions who are faced with complex problems which they feel OR approaches can help to solve.

5. When our scientific society was invited to present a brief on poverty in Canada, we were at first skeptical of what help we might be to assist your committee in its deliberations. None of the Officers or Council of the society, nor few if any of its members, work directly with the poor. Few operational research people in Canada are directly concerned in their professional roles with the problems of poverty. Most of them work in industry, government, universities, or professional consulting firms. But in the last few years a number of our members have become involved in one way or another in interdisciplinary studies of socio-economic and social problems. We are becoming increasingly aware

of the assistance that the systems approach and OR methods can be to social policy planners, public service administrators, and community workers. We want to demonstrate to others how operational research might help them to better serve the Canadian people.

6. Those of us who have been blessed with that particular kind of scientific interest, training, and experience in studying organizations and systems that characterizes our members, are concerned about poverty in Canada. We want to work with others to remedy, reduce, and ultimately eliminate it. We hope we can make some small contribution to this end through the observations, conclusions, and recommendations contained in this brief.

DEFINING AND ELUCIDATING THE POVERTY PROBLEM

7. In assisting your Committee, our brief will not define poverty in Canada. This has been done by others in the past, perhaps most significantly in terms of income cut-off points suggested by the Economic Council of Canada in its Fifth Annual Review, which among its recommendations regarding the poverty problem, also suggested the creation of this Senate committee of enquiry.

8. Among the 4 or 5 million words of briefs and proceedings which your committee will have generated, a variety of other definitions of poverty have been presented to you. Some of these have been quantitative definitions which identify the poor in terms of their earning power, command over material resources, or opportunities for jobs, food, shelter, education, health care and leisure activities. Other definitions have introduced the concept of a culture of poverty with qualitative identifications of the poor in terms of behaviour traits, attitudinal approaches, belief complexes, and self-identified inferiorities of individuals, families, and communities. The most vivid verbal definitions of all have been those expressed by the poor themselves at these hearings, for example the simple words of Mr. Ivan Guindon in Ottawa² - "When I came out I tried to get myself a job in this trade. When I went to see the first person he said "We do not need people like you around here." I will always remember his words (-----) So I took all my draughting books and everything and threw them away. I went back to what you would call thieving"; and the thoughtful words of Mrs. Bernie O'Connor in Vancouver³ - "Possibly only someone who has been in a low income level for a long time with their whole life occupied in eeking out an existence can fully comprehend how you can lose your self-confidence and faith to such a degree that you finally believe that you are nothing but a drag on your community". Vivid visual definitions of poverty have indoubtably presented themselves to your committee on visits you have made to poorer communities and families during or before your investigation.

2. Proceedings of Senate Committee on Poverty, Tues., Feb. 3, 1970 P.17.10
3. Proceedings of Senate Committee on Poverty, Thurs, Nov. 20, 1969, P.9:19

9. You have been presented with excellent histories of the origins, growth, present status and proposed changes in today's welfare and assistance programs by various government departments and agencies at federal, provincial and local levels. Individual politicians and civil servants have added personal observations about these programs and other development projects which should serve to ameliorate the economic causes of poverty. Briefs from social and welfare organizations, plus statements by their representatives under questioning by your committee, have elucidated many practices, problems and helpful ideas in working with and for the poor to help them meet and beat poverty. And the poor people themselves, or their representative spokesmen, have clearly detailed in many ways what it is like to exist in and struggle against poverty, sometimes with the help of our current welfare system, sometimes despite it, and sometimes without knowing it exists.
10. You have also been presented with many recommendations for assisting the poor. An analysis of specific recommendations contained in a sample of 48 written briefs⁴ published as appendices in your committee proceedings shows the following general categorization:

Number of Briefs Specifically Recommending

More & better education, training & retraining for poor, & particularly for their children	32 (out of 48)
More & better direct financial assistance to poor (guaranteed annual wage, family allowances, negative income tax, old age pensions, etc.)	26
More & better social, community, and supportive services for poor	18
More & better health care services for poor	16

4. The 48 briefs were those remaining out of the 67 written briefs appended to Poverty Committee Proceedings Nos. 1 to 30 dated Monday, November 3, 1969 to Tuesday March 24, 1970; excluding 4 briefs by federal government departments or agencies, and another 17 which did not document specific recommendations.

More & better direct communication with & information to poor	14
More & better local involvement of poor themselves in developing programs to alleviate and remove poverty	12
More & better promotion and encouragement to get general public support and voluntary assistance to poor	10

Out of these 48 briefs, many focussed their attention and recommendations entirely on one area. Others contained 10 to 40 individual recommendations, relating to three or four of the above areas. As your committee is well aware, many briefs recommended other "more's & better's" such as more co-ordination between and among welfare services, social science disciplines and political jurisdictions; more federal-provincial-municipal co-operation; more prevention rather than relief; more economic expansion; more experimental and demonstration projects; and more national and provincial policy regarding poverty. Many briefs also recommended reorganization or reduction of social service jurisdictions, and changing patterns of help at every jurisdictional level. Many briefs recommended changes to reduce degrading practices and remove patronizing and dehumanizing aspects of "welfare services". And many briefs, explicitly or implicitly, recommended more action to help the poor help themselves. As stated in one excellent brief⁵ - "Once aware of the true nature of their condition, these people ("the poor") will indeed be able to help themselves. Then they will be able to tell other Canadians how to help. And only then can we attack the problem of poverty with a force which is meaningful."⁵

5. Brief presented by National Indian Brotherhood of Canada and Indian-Eskimo Association of Canada, No. 19, Tuesday, February 10, 1970, Appendix A, P.19:30

11. Your committee will have a great many facts, figures, ideas, and opinions about poverty to sort out. There are many factual and philosophical inconsistencies - between federal and provincial government submissions; between welfare agencies and the individuals dealing with them; between objectives and achievements of government, agencies, volunteer organizations, and individuals. This is natural. We are all human. We are all different. We all wear many hats. But reflections on human nature do not help your committee.
 12. In the submissions available to you, there is very little information on how to co-ordinate and combine all the evidence, or how to implement many of the recommendations. There is even less information on the implications of implementation. Your committee has often commented on these points during the hearings. To quote from an earlier submission⁶ - "We view poverty as a complex problem that will not be corrected by unitary measures. The architects of the plan to reduce poverty must adopt a systems approach and a global viewpoint". This is why it is difficult, and probably inappropriate, for individual submissions prepared by groups with specific interests and attitudes to comment at this stage of enquiry on the implementation of recommendations or on their implications.
6. Proceedings No.22, Thursday, February 19, 1970, Appendix A, paragraph 27 (brief submitted by Canadian Home and School and Parent-Teacher Federation).

13. The Economic Council has emphasized the importance of the systems approach in developing more effective anti-poverty policies in Canada, and in conducting a truly comprehensive attack on poverty using help from experts drawn from all the social sciences, and to some extent from the natural sciences as well⁷. Your committee has confirmed the necessity of the systems approach so that the architects of new plans and programs to attack poverty, can properly interrelate all factors in this complex problem. As one committee member has expressed it - "Everything can't be done in a day, and while we must tackle air and water pollution, education, and medical care first, that is not the end of it. All these things link up with other things".⁸

THE SYSTEMS APPROACH TO THE POVERTY PROBLEM

14. How can public servants, social and physical scientists, administrators, and decision-makers, and the poor themselves combine in a systems approach to the poverty problem? Operational researchers are a cross-breed of social and physical scientists, trained and experienced in the analytic tools of both fields. They are used to collecting, interpreting, and analysing information. Good operational researchers communicate effectively with other scientists, administrators, workers, and the public. Operational researchers are professionals in the systems approach.

7. Fifth Annual Review, Economic Council of Canada, P.131 & 159
8. Poverty Committee Proceedings, No.16, Thursday, January 29, 1970, P.16:28 (Senator Fournier speaking from the Chair)

15. Operational research techniques and approaches have proven successful many times in the military, industry, and technical areas of government on organizational problems which are relatively clean-cut, where costs and benefits are relatively easy to measure. They are beginning to be applied with increasing success to problems in social and service institutions, and to socio-economic problems of government and society. Operational research techniques, approaches and practitioners can help to fight poverty by helping government, public servants, and the poor themselves to understand, analyze, and control the poverty problem, and develop new methods to solve it.
16. Operational research and OR models are probably best understood by example. Moreover, examples in one problem environment can frequently serve to indicate possible applicability in another problem environment. Sometimes they can be directly transferred to that environment.
17. Appendix II contains summary descriptions of seven OR applications in industry and government. These examples cover a wide range of system problems, interrelated factors, OR models and approaches, and results achieved. All examples are Canadian. Fuller information regarding each application could be obtained from appropriate members of the Canadian Operational Research Society who were involved in the conception, analysis, and implementation of results of these studies. Some comments follow regarding possible transferrals of the approaches used in each example to help organizations and individuals fighting poverty.

18. Example 1 (Railway Inventories)

Inventory models are one of the oldest and most commonly used OR approaches. Hundreds of Canadian companies, warehouses, and retail stores use them effectively, as do many government warehouses and departments. Large welfare agencies and health and social service centres could lower costs of supplies without affecting service to their communities, or be able to improve their services at no increase in cost, by using simple and easily transferrable inventory models.

19. Example 2: (Oil Refinery Scheduling) -

Linear programming models are one of the most widely and profitably used operational research tools. There should be many applications in the operation of welfare organizations; in locating and organizing new social, educational, and health services for the poor; and in generally optimizing the allocation of scarce physical, financial, and human resources available at any time to fight poverty.

20. Example 3: (Project Planning & Control)

Network analysis techniques have proven very successful when correctly and judiciously applied on major construction projects and other large non-construction programs (e.g. military aircraft acquisition, political campaigns). Acronyms (PERT, CPM, PEP, GASP) and associated false images promoted by overzealous consultants and advertisers notwithstanding, the underlying sound concepts such as events, activities, technological sequence, slack, and network calculation have provided a permanent and useful framework of management knowledge on how to plan, schedule, and control

massive programs and projects including getting men on the moon. Government departments, social service agencies, and "poor" communities themselves should make more use of this technique to co-ordinate efforts and reduce delays in planning and implementing new development projects and public service programs. Such co-ordination is particularly valuable when many organizations are involved, or where there is a danger of jurisdictional foot-dragging.

21. Example 4 (Uranium industry policy-planning)

The sort of policy-planning simulation approach used for the uranium industry would be an extremely useful tool for government poverty-program planners at every level. There is considerable evidence that a number of government departments in different jurisdictions are already developing and using such models. Many of these applications are being effectively used to resolve jurisdictional differences in objectives, co-ordinate data from many sources, and assist decision-making on complex issues. Others are being used, often covertly, to support a-priori positions related to jurisdictional disputes. Still others are providing analyses and results which suggest new solutions on complex issues, but they are not being effectively used because administrators and others feel that their time for discussion and implementation "has not yet come".

22. Example 5 (Macro-economic educational planning)

Briefs to the Poverty Committee frequently recommend more and better education for the poor and their children as one major solution to the poverty problem. Models such as the one described for the Ontario educational system can be used to test the likely socio-economic effects of certain government policies regarding educational programs for the poor. Similar OR models of the educational systems in other provinces may

already exist, or could be developed on a similar basis, to furnish federal-provincial planners with useful information and analysis concerning the possible effects of national and regional educational policy changes on the poverty problem.

23. Example 6 (Health Sciences Centre Planning)

This example shows how an OR unit operating at a health sciences centre can calculate for students, faculty, and administrators of that centre the implications of any proposed educational program or policy alteration in a short period of time and in considerable detail. This permits systematic, logical planning so that positive proposals originating from within the centre can replace crisis planning and decision making. This application involves two important areas related to suggested action on poverty, the educational and health care areas. It has been designed so that a similar OR model system could be implemented in several centres in a province, or across Canada, so that the characteristics of each local health science centre could be incorporated in an overall policy planning approach. A similar systems approach to policy planning in other poverty program areas such as social and welfare services, and direct financial assistance, might enable the diverse and sometimes conflicting information and ideas from the "poor", and the various agencies and governments assisting them, to be described, co-ordinated and explored. This would better enable local, regional and federal decisionmakers to examine the consequences of alternative plans, policies, and programs proposed to fight poverty.

24. Example 7 . (Water Resource Planning) -

The management of water resources involves large allocations of public funds and resources, and in effect brings about some redistribution of "real" wealth. For example, multi-purpose flood control reservoirs are commonly used for recreational purposes. The location of reservoirs, transportation facilities, admission prices, and a number of other factors affect the recreational opportunities of various classes of people, including the poor. Public works programmes connected with water resource management are commonly used to provide local employment opportunities for unemployed people (e.g. through Federal funding of "winter works" projects). The effects of water resource development projects on the poor can be evaluated using systems analyses models.

25. The previous 7 examples of OR studies from Canadian experience range from relatively simple tactical examples to broad policy planning examples, some far from the poverty problem, others in areas close to it. There are many more examples of multidisciplinary studies involving OR models that have been applied successfully in Canada, the United States, and elsewhere to socio-economic problems and public service or resource systems (like Examples 5, 6 and 7). Because they use the systems approach to model and evaluate cost effectiveness in those areas where the "poor" need "more", a few studies which might interest and inform your committee, and those who will act on its findings, include:

- a simulation model of community colleges in Ontario;
- macro-analysis of public education systems in the
United States;
- urban planning model systems;
- models to assist fire-fighting and rent-control programs
in poor areas in New York City;

- models of the total criminal justice system in the United States;
- models to assist personal decision-making in population and family planning;
- an optimization model related to tuberculosis epidemiology;
- systematizing health care priorities and expectations in rural areas;
- study of the welfare cost of health insurance in the United States;
- methods and concepts of an interdisciplinary regional hospital system;
- policy analysis of economic opportunity programs in the United States.

Our society would be pleased to assist your committee in obtaining further information on these or other OR studies related to needs of and services for the "poor" if you so requested.

26. A final example of an OR model approach to one aspect of the poverty problem is presented in Appendix III to this brief entitled "A Note on Poverty and a Guaranteed Minimum Income". This note was prepared by one of our society's members, and the CORS National Council unanimously approved its inclusion with our brief. More direct financial assistance to the "poor" has been recommended in many submissions to your committee, and particular attention has been paid to one form of this assistance, a guaranteed minimum income. Appendix III includes some background discussion and problem definition of the poverty problem. It then uses a simplified mathematical model to analyze alternatives and draw conclusions regarding the implications of a guaranteed minimum

income. The data used in the analysis is illustrative. Better guaranteed annual wage models using better data have undoubtedly been developed within the Economic Council and in a number of Federal and Provincial government departments. Fuller analyses and conclusions regarding the effects of a guaranteed annual income may already have been presented to your committee. We have included this analysis merely to illustrate how a systematic description of the poverty problem and a simplified mathematical model can be used to draw some general conclusions about one proposed policy alternative aimed at alleviating poverty. Some important points developed in Appendix III are:

- a) Only governments have the breadth of interest to put the poverty problem in context, and the resources to do something about it.
- b) Some redistribution of net individual income is justified, and the concept of a guaranteed minimum income is certainly worth investigation.
- c) In a free enterprise social system, it is probably easier to provide income than to provide work.
- d) It would appear that a guaranteed income in the range of \$500 to \$1,000 per head would be feasible if redistribution of income is the way to provide it and the rate of taxation is to remain within a reasonable range.

CONCLUSIONS

27. We agree with the Prime Minister, the Economic Council, and the Special Senate Committee on Poverty, that new ideas and approaches are needed to alleviate and eradicate poverty in Canada. New methodologies and analytic expertise are also needed to help groups and individuals test and evaluate the feasibility of these new ideas and approaches and their true costs and benefits to the "poor" and the rest of the people of Canada.
28. Poverty in Canada takes many forms. It exists in many places, and has different definitions. There are many ways of attacking poverty. The success of most of them will depend on the willingness of "richer Canadians" to help "poorer Canadians", and to transfer some of their present and future riches so that the "poor" can help themselves.
29. Any decision is the result of a process involving interest reconciliation, political and moral considerations, and analysis of information. The systems approach and operations research deal with information and analysis. Good information is not knowledge. There is no direct flow from operational research to action. But good operational research provides insurance against bad decisions and can play an important role in organizing for action and assessing its effectiveness. Good operational research can help decision-makers who are wrestling with the poverty problem to make wise decisions and take effective action which should involve, and will affect all Canadians.

RECOMMENDATIONS

30. Recommendation 1: - The systems approach, and operational research, should be used in formulating new policies and programs to reduce and eliminate poverty, whether these policies and programs are federal, provincial, local, or interjurisdictional. The Senate Committee on Poverty is to be congratulated for making use of operational research methods to co-ordinate and analyze the evidence before it, and evaluate the possible implications of recommendations it may bring down.
31. Recommendation 2: - There should be more interdisciplinary teams including public servants, social workers, social and natural scientists, and the "poor" themselves studying poverty problems and implementing new approaches. Operational research workers could make valuable contributions on such teams.
32. Recommendation 3: - Any recommendation for action on poverty which proposes greater use of limited resources to fight poverty (e.g. - more education, more social services, more health care, more assistance) should be fully evaluated and tested, using suitable cost/benefit analysis, before it is adopted.
33. Recommendation 4: - Educational institutions and faculty teaching operational research techniques should encourage students to work on social and socio-economic problems like "poverty in Canada", and should try to organize theses or research projects which would bring OR students and community groups together to model and analyze social problems in the community. Control of the particular studies and implementation of their results should rest with the user groups.

54. Recommendation 5: - Operational research specialists should switch their attention from narrowly defined, specialized, and relatively easy problems in the military, industry, government and "academia"; and start confronting the real social and political problems in the world (like poverty, and action on poverty) in all their disorganized complexity. This will only be possible if government and social planners and administrators make a psychological commitment to the systems approach to social problems. Appropriate OR models will enable decision-makers to examine the consequences of alternative plans and programs that will help the "poor" and affect Canadian society. Decision-makers who are reluctant to describe and explore alternatives cannot take advantage of OR models.

APPENDIX IIINOTE ON POVERTY AND A GUARANTEED MINIMUM INCOME

1. Poverty is a relative state and its existence can only be recognized by reference to some explicit or tacit standard. The major barrier to approaching the problem in a scientific or logical manner is the multiplicity of standards and criteria. As a consequence, most analyses of the problem are carried out from the point of view of some interested organization, usually with undue concentration on some specific type of hardship.
2. The first essential is to recognize the existence of two types of poverty:
 - a) Group Poverty: the common poverty of groups of people due to a temporarily or permanently unfavourable environment.
 - b) Individual Poverty: arising from personal or family misfortune which depresses the individual's income below the norm of the group to which he belongs.

Welfare organizations should be primarily concerned with the second type. However, they are increasingly concerned with the first type which is usually beyond their resources; only governments have the breadth of interest to put the problem in context and the resources to do something about it.

3. The aim should be to solve the problem of group poverty either by removing it or making it supportable. If this could be done, cases of individual poverty would be few enough to be dealt with by voluntary organizations or perhaps on some kind of insurance basis. This would also concentrate the emotional appeal on those few cases with special needs rather than spreading it over a large proportion of the population as at present. It is almost a truism that our society and economy as presently organized depends on the existence of group poverty, two notable groups being the elderly and the unskilled. There are also some groups such as young adults and teenagers who appear over-privileged. It would appear, therefore, that some redistribution of income is justified, consequently the concept of a guaranteed minimum income is certainly worth investigation. The difficulty with the concept lies in fixing the level of guarantee. If it is based on aspirations, the desired level will continuously increase; what appears satisfactory now when many are below it will not satisfy when everyone receives that much or more. For that reason the level should be fixed from the other end, namely according to what the economy can afford or what the public is prepared to pay rather than according to the level desired. This approach has the administrative advantage that the level of guarantee and the cost can be readily evaluated.

HUMAN RIGHTS

4. Even if the problem is approached from the point of view of what we can afford, it is still necessary to justify income redistribution to make it palatable. This is perhaps best done on the basis of accepted human rights. Some candidates for consideration are discussed below.
5. Right to Survive: This right seems to be universally recognized, even sometimes in the extreme cases of convicted murderers. Major efforts are made to save any human life where the need is apparent, although it is believed that there are still cases where nothing is done because the need is unrecognized.
6. Right to Work: This is a right which many people believe in but it is not officially recognized. So long as the rate of unemployment is regarded as a variable which can be manipulated to control the economy, or so long as a free enterprise system exists, a reservoir of unemployment is almost essential. It is probably easier to provide income than to provide work.
7. Right to Live without Excessive Hardship: This right is recognized in varying degrees by governments and most individuals. The mass media have fostered a decidedly inflated idea of what constitutes a normal standard of living. They also publicize cases of extreme hardship, but there is no real indication of an acceptable standard between these extremes. Certainly in Canada a certain minimum standard of accommodation, heating, and food is necessary in order to survive, but there is no agreement on what it is and no evidence that anyone is trying to provide

it at minimum cost. Once again it seems better to approach the problem from the other end, determine what could be afforded as a guaranteed minimum income, and then attempt to provide facilities for living as comfortably as possible on that income. Much might be done in that way. For example the range for rents for housing is now quite inconsistent with the range of quality; as much might be paid for a slum flat as for a middle class family home.

8. Right to Equality: In North America, the right to equality is a heresy which is only accepted in education. A life cycle starting off with great inequality in childhood followed by a period of equality in university at a reasonably affluent level is poor preparation for adulthood in a free economy which depends on a supply of workers at all income levels. If education continues on its present lines, the next generation may possibly be disposed to a greater degree of equality in incomes which would allow higher guaranteed incomes, but I doubt it.

THE APPROACH

9. Since there are almost as many definitions of poverty in terms of income as there are interest groups, it is impossible to state an agreed minimum income in advance. To analyze a range of possible levels, it is desirable to use a parametric approach. This is relatively easy if income distribution among the population can be expressed in a simple mathematical form, but is likely to be tedious if such an expedient is not available. For a quick preliminary analysis, a simple distribution has been assumed which is believed to give the right kind of variation, although the fit has not been tested. More information would allow the

parameters to be adjusted to give a closer fit. Moreover, all distinctions other than income have been ignored; for example, it is assumed that everyone has some income. This implies that family income is distributed among the members of the family and the guaranteed minimum income applies to all individuals. Once the simplified analysis has been carried out, the complication of family and class could be introduced as a second stage in the calculations, if the necessary data was available.

10. Example: In this example, the distribution of individual income in the population is assumed to be log-normal, i.e. the logarithm of the income is normally distributed with a mean of 3.11 and a standard deviation of 0.5. Details of the calculations are given in a supplement. With this distribution, the mean income per head is approximately \$2500 which agrees approximately with the 1968 figures given in the Canadian Statistical Review (total personal income \$51,600 millions, population 20.4 millions). The cumulative distribution is shown in Fig 1. Using the distribution it is easy to calculate for any level of guaranteed income:

- a) The percent of population whose income would have to be supplemented to some degree to bring their income up to the minimum.
- b) Assuming that tax is only levelled on that part of income in excess of the guaranteed minimum, what percentage tax on it would be necessary to provide the supplementary income.

- c) Assuming that a general tax equal to say 10% of the total of all personal incomes is required in addition to the tax for income redistribution, what percentage tax on excess income is required to provide both.

Curves showing these percentages as a function of guaranteed minimum income are given in Fig 2.

11. Results: From the curves of Fig 2, a number of interesting deductions can be made. For example:

- a) If income is evenly distributed at \$2500 a head, 71% of the population will be receiving an income supplement. The other 29% will be financing this by giving up all their income in excess of \$2500, i.e. a 100% tax.
- b) If 10% of total income is required as general tax, thus reducing the amount available for redistribution, the maximum level of guaranteed income falls to \$2250. In this case about 68% receive a supplement, the remaining 32% provide it and the general tax.
- c) If the guaranteed income is fixed at the median level of \$1300, 50% will receive a supplement and the remaining 50% will be taxed at a rate of 22% to pay for it (or at 37% if the 10% general tax on all income must be covered in addition).

- e) It would appear that a guaranteed income in the range of \$500 to \$1000 per head would be feasible if redistribution of income is the way to provide it and the rate of taxation is to remain within a reasonable range. Even this would involve distribution of income to 20 to 40% of the population so distribution costs are likely to be a major item.
- f) Since it costs in excess of \$3000 to support a student at a university for one year, the provision of this for everyone must inevitably lower the level of guaranteed income that could be afforded for other classes.

REMARKS

12. The kind of analysis carried out above could answer vital questions and should be done properly if possible. However, there is always a deficiency of accurate data. Even when this is so, there are many approximations and expedients that can be used to build up a general picture as the example shows. The actual figures quoted should, however, be treated with considerable reserve.

APPENDIX III - SUPPLEMENT 1

1. Let the population be N .

Let the medium individual income be A_0 and $m = \log_{10} A_0$.

Individual income I is assumed to be log-normally distributed

i.e. $x = \log_{10} I$ is normally distributed about a mean " m " with $SD = \sigma = 0.5$

The proportion of population with an income less than B (where $\log_{10} B = c$) is given by

$$F_B = \frac{1}{\sigma^2 \sqrt{2\pi}} \int_{-\infty}^{c-m} \exp\left(-x^2/2\sigma^2\right) dx$$

2. The average income is given by

$$\begin{aligned} \bar{A} &= \frac{1}{\sigma^2 \sqrt{2\pi}} \int_{-\infty}^{\infty} A_0 \exp(\alpha x) \cdot \exp\left(-\frac{x^2}{2\sigma^2}\right) \cdot dx \\ &= \frac{1}{\sigma^2 \sqrt{2\pi}} \int_{-\infty}^{\infty} A_0 \exp\left(\alpha^2 \sigma^2 / 2\right) \cdot \exp\left[-\frac{(x-\alpha\sigma^2)^2}{2\sigma^2}\right] \cdot dx \\ &= A_0 \exp\left(\frac{\alpha^2 \sigma^2}{2}\right) \quad \text{where } \alpha = \log_e 10 \approx 2.30 \end{aligned}$$

3. The total of all incomes less than B is $NS(F_B)$ where $S(F_B)$ is given by

$$S(F_B) = \frac{\bar{A}}{\sigma^2 \sqrt{2\pi}} \int_{-\infty}^{c+\alpha\sigma^2-m} \exp\left(-x^2/2\sigma^2\right) \cdot dx$$

Consequently the amount required to bring all incomes less than B up to B is

$$N \left[B F_B - S(F_B) \right]$$

4. The total amount of individual incomes in excess of B which is assumed to be partly available for redistribution to those receiving less than B is

$$N \left[\bar{A} - S(F_B) - (1-F_B)B \right]$$

Therefore the percentage of excess income required to bring up the minimum income to B is

$$100 \cdot \frac{B F_B - S(F_B)}{\bar{A} - S(F_B) - (1-F_B) B}$$

5. If there is a general tax of $x\%$ of total incomes which has priority over any redistribution tax, the percentage of incomes in excess of B required to provide both the tax and the money for redistribution is

$$100 \cdot \frac{B F_B - S(F_B) + 0.01 x \bar{A}}{\bar{A} - S(F_B) - (1-F_B) B}$$

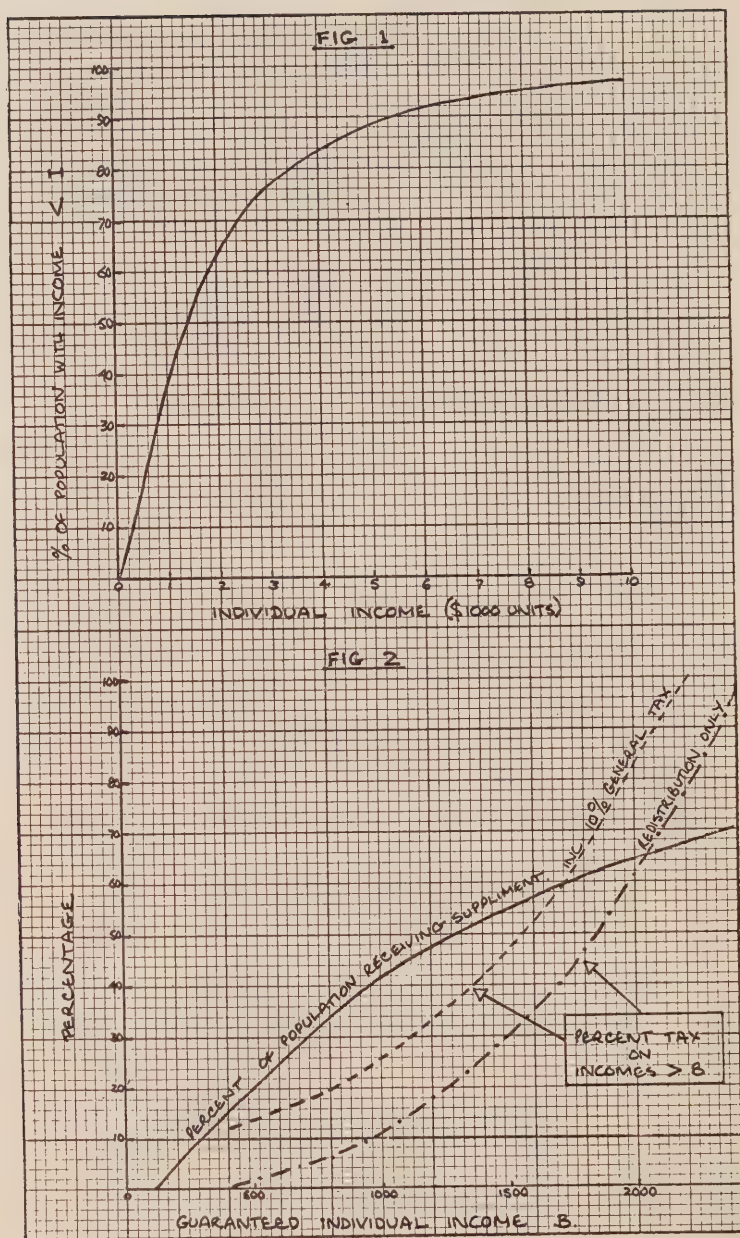
6. For the rough calculations made $N = 20$ million

$$A_0 = \$1300 \quad m = 3.11 \quad \sigma = 0.5$$

This gives

$$\bar{A} \approx \$2500$$

APPENDIX III - SUPPLEMENT 2



APPENDIX "B"

B R I E F

to the

SPECIAL SENATE COMMITTEE ON POVERTY

submitted by

THE PROVINCIAL COUNCIL OF WOMEN OF ONTARIO

June 1970

President

Mrs. G. B. Armstrong
8 Dacre Crescent
Toronto
416-767-2629

Special Senate Committee

B R I E F

to the

SPECIAL SENATE COMMITTEE ON POVERTY

submitted by

THE PROVINCIAL COUNCIL OF WOMEN OF ONTARIO

June 1970

DEFINITION: Poverty is living in an environment in which one cannot cope with the accepted standard of living.

I. INTRODUCTION

1 The Provincial Council of Women of Ontario, organized in 1923, is a Federation of local councils in seventeen cities and towns and ten provincially organized societies. Whether at the local, provincial, national or international level, Councils of Women are Federations of various societies and associations working together for the betterment of conditions pertaining to the family and the state, and for the creation of an informed public opinion.

2 These objectives were well and truly served during the past six months as member councils have shared in an investigation and study of poverty as it relates to the aged, the one-parent family, the unemployed, the disadvantaged, the working poor, the Indian and Metis peoples, and to those engaged in farming in certain rural areas. The existence, and to some degree, the extent of poverty has been realized by those taking part in this study. Poverty has been given visibility with the result that certain attitudes towards those affected by it have changed and an understanding has developed with regard to its social and economic implications. Excerpts from reports illustrate this fact. "We feel that we have learned a great deal about the problems of our area in working on this

study on poverty." "Many times during the course of this study I have asked myself, 'What is poverty?' The same answer recurs to me. Poverty is living in an environment in which one cannot cope with the accepted standard of living. Primitive man living in the jungle has law and order to live by. He worships his gods, but he has no clothing, no elaborate shelter, no stockpile of food. He is happy. He is in his own environment. He is not living in poverty." Speaking of people in a rural area who are just getting by, one report says, "The poor here consider themselves poor but not to be 'living in poverty' - poor is something that can happen to you through no fault of your own but 'living in poverty' somehow implies a lack in personality, a lack of ability or know-how and pride."

2 Prior to our study of poverty, our considerations of the poor and those living on welfare were too often conditioned by images and stereotypes. The real value of this study will probably not lie in the ideas which we express in this Brief but rather it will be measured by the extent to which we have changed those hard-core attitudes which we held towards the poor. It will be measured by the extent of our realization that the solution does not lie in a proliferation of welfare programmes as they exist today but rather in making good the claim that Canadian Society is one of equal opportunity. The poor lack many things but surely their most fundamental lack is one of opportunity.

4 This Brief is a condensation of the reports of the studies done by volunteers who are members of Councils of Women in eleven communities in the province. For example, Windsor Council reported on a study of that group of people who are able to work but who are without jobs; Kingston Council reported on housing

problems of low income families and welfare recipients; St. Catharines and London Councils investigated poverty among the aged; Georgetown and Chatham Councils confined their investigations to poverty in adjacent farming communities. The recommendations came out of the studies and are in line with accepted policies of the Provincial Council of Women.

5 For the purposes of the studies, we used as a reference point the poverty lines established by the Economic Council of Canada.*

*The Fifth Annual Review, Economic Council of Canada - Using 1968 dollar purchasing power and annual income, poverty lines were set at \$1,800 for a single person; \$3,000 for a family of two; \$3,600 for a family of three; \$4,200 for a family of four; \$4,800 for a family of five.

II - SUMMARY OF RECOMMENDATIONS

1. That adjustments in old age security benefits be directly related to the consumer price index and the purchasing power of the dollar.
2. That old age pensioners with supplement who own and live in their own homes be exempt from school taxes on their homes.
3. That one of the existing agencies set up and operate a senior citizens' counselling service centre where older people could discuss and obtain information and counselling.
4. That information regarding welfare programmes and all forms of assistance available to pensioners be included in mailings of pension cheques.
5. That radio and TV stations include in public service announcements information directly concerning pensioners as spot announcements.
6. That municipal welfare departments consider subsidizing organizations that undertake the provision of Meals on Wheels to pensioners.
7. That prescription drugs be made available through Medicare, to pensioners who are receiving supplementary assistance.
8. That day nurseries be made more readily available where the need is evident.

II - SUMMARY OF RECOMMENDATIONS (continued)

9. That single parents be permitted to earn supplementary income in addition to Welfare and Mothers' Allowance payments; this additional amount to be determined annually for each family according to its size and to be sufficient to maintain a reasonably acceptable environment for the family.
10. That day care for children of single parent families be subsidized so that the financial burden of such care be substantially reduced.
11. That day care costs be deductible for income tax purposes.
12. That dental and optical services be included under the National Health Service (OHSIP).
13. That single parent families have priority in obtaining low rental housing.
14. That each provincial Government set up a provincially administered maintenance award fund into which defendants would be compelled to pay their maintenance payments and out of which dependent families would receive regularly the maintenance awarded by the court, independently of the amounts paid into the fund by the estranged father; and that the onus for collecting and administering the maintenance awards be assumed by the province.
15. That the various Government departments and social agencies institute creative and innovative means of communication with single parent families in order that such families become fully aware of all the services which are available to them.

II - SUMMARY OF RECOMMENDATIONS (continued)

16. That there be a complete overhaul of our present welfare policies since these do little to lessen the incidence of poverty or to restore dignity.
17. That greater encouragement should be given to persons to take advantage of courses offered for training and retraining:
 - a) by developing programmes to motivate their escape from the poverty cycle; b) by creating incentives to motivate adults to overcome their inadequacies in education, employment, income, housing and parenthood; c) by initiating training for children, who are victims of the poverty culture, which would enable them to escape from the poverty cycle and would create in them a desire to escape.
18. That a study be undertaken of the disparity in income between persons belonging to unions and those who do not.
19. That projects be established in areas which are populated predominantly by recent immigrants, similar to the Toronto project known as "Services for Working People".
20. That the Government expand its credit to Indians who qualify for loans for mortgages to buy homes.
21. That Indians be appointed to civil service posts which have to do with the administration of Government programmes for Indians.
22. That the Government of Canada, through combining the resources of its retraining programme with that of economic development, make it possible for native communities to initiate industries, thus providing employment on or near the

II - SUMMARY OF RECOMMENDATIONS (continued)

reservation.

23. That Governments seek to prevent through more adequate allowances the cultural alienation of the physically handicapped person who must live in an institution.
24. That in setting allowances, Governments take greater notice of additional expenses faced by some physically handicapped persons.
25. That automobile licences for paraplegics and others who cannot travel by public transportation to their places of employment be reduced in price or issued free-of-charge.
26. That other provinces follow the lead of British Columbia in returning to paraplegics and others who must travel to their places of employment by car at the end of the year money paid in provincial gasoline tax.
27. That Manpower offices be required to bring to the attention of employers the ability and availability of handicapped personnel.
28. That Governments consider allowing the handicapped person to earn a much higher amount before the disability allowance is reduced.
29. That minimum wage laws be examined to insure that they protect the handicapped worker who is fully capable of performing on the job, without reducing opportunities for seriously handicapped persons who, by special arrangement, might be employed at a lower rate.

II - SUMMARY OF RECOMMENDATIONS (continued)

30. That there be additional research which may lead to a better understanding of the problem and to a decrease in the incidence of retardation.
31. That since sales taxes fall most heavily on low income people, they be a matter for immediate study by Government.
32. That the way in which all forms of taxation enter into consumer prices be a matter for immediate study by Government in the interest of low-income people.
33. That Governments make long-range plans for control of Government spending.
34. That the Prices and Incomes Commission be urged to continue to press labour to agree to co-operate in the efforts to fight inflation.
35. That the Government establish a permanent commission or board on the status of women.
36. That Government be requested to increase the basic exemption in the Income Tax Act.
37. That the Government be asked to study further its proposal for child care expenses in an effort to find a method that will benefit the low-income earner.
38. That the Minister of Health and Welfare be urged to table at the earliest possible moment, the White Paper on Social Security referred to in the Speech from the Throne (October 23, 1969)

II - SUMMARY OF RECOMMENDATIONS (continued)

in order that there may be a better informed public discussion of incentives and related matters.

39. That there be more basic study of the subject of minimum wages.
40. That the Government be urged to remove the 12 per cent federal sales tax on margarine.
41. That there be a study of the possibility of making the declaration of personal bankruptcy more readily available to low-income people who cannot otherwise be helped.
42. That all levels of Government jointly support information bureaux operated at the municipal level to provide information and act as referral services.
43. That more study and experimentation be undertaken in Canada to find the best method to assist the working poor to rise beyond the poverty level.

III. THE AGED

6 When we read in the Fifth and Sixth Annual Reviews of the Economic Council of Canada, in statements by the Canadian Welfare Council, the Ontario Welfare Council and in the daily newspapers that there are about one and a half million Canadians who are 65 years of age and over; that a large percentage of them are unemployed; that they are living, by the hundreds, below the poverty line established by the Economic Council of Canada; that the chances of being poor are many times greater if the head of the family is 65 years or over; we know that poverty among the aged is a serious problem and we say that it is a problem which requires immediate action.

7 Most of these older citizens are caught in this bind through economic circumstances over which they had little control. They are poor, not because they are lazy, shiftless, indifferent or simply willing to live on hand-outs, but because they were victims of the depression era during the most productive years of their lives. The majority of these people whom we interviewed or contacted believe that such necessities as shelter, clothing, food, health services and small comforts should be their social right and that they should have assurance that these are going to be available to them so that these latter years of their lives can be free from anxieties and actual need. If social rights are to have any meaning then the standard of living of the aged should not decline when that of other citizens is rising. One step which could be taken towards this end would be to relate the adjustments in old age security benefits to the consumer price index. This would not guarantee that the standard of living of the aged would keep pace with the rising standards of the rest of the nation but it would keep it from

continually decreasing. The 2% limit on the annual increase should be dropped at once and replaced by an escalation clause tied to the consumer price index. (There has been a 16.5% loss in purchasing power in the five years ending in 1969.)

IT IS RECOMMENDED:

That adjustments in old age security benefits be directly related to the consumer price index and the purchasing power of the dollar.

8 A survey conducted in the City of St. Catharines and the County of Lincoln where the percentage of the population 65 years and over is higher than the national average,* resulted in the following findings and comments:

Income Source - 70% old age pension only
30% old age pension and other sources

- 55% were independent of family
- 42% had no form of entertainment
- 42% required further health services
- 40% never had a vacation
- 12% found their diet inadequate
- 49% were not in good health
- 70% require prescription drugs
- 46% were not familiar with financial help available from agencies other than welfare

9 A survey of accommodation showed that seven senior citizens' homes and ten nursing homes provide adequate accommodation for those requiring it at present. However, a change in the Ontario Hospital Services policy regarding discharge of patients will increase the needs for convalescent homes.

* Population by age groups - 1966 census -
 65 and over - National average is 7.7%
 St. Catharines - 7.8%, Lincoln County - 8.2%

10 THE REAL SHORTAGE exists in low cost housing units where there are 350 applications on the waiting list. High rent is the most severe problem for pensioners, forcing many into light housekeeping rooms and attic apartments, which are the most expensive and least desirable in terms of value received.

11 A significant number of old age pensioners find it impossible to continue to live in their own homes although they sincerely desire to do so. "Being in one's own home avoids the tensions of family conflict with children and in-laws and frees the pensioner from the fear of increases in rent and eviction." Annual increases in property taxes are forcing many to give up their homes. They believe that they should be exempt from school tax although they are willing to pay taxes for other services.

IT IS RECOMMENDED:

That old age pensioners with supplement who own and live in their own homes be exempt from school taxes on their homes.

12 Many senior citizens do not know about the help which is available to them from private social agencies and organizations. It is perhaps understandable in a rapidly changing society that people could be unaware of programmes available from private agencies and that they could also be uninformed about changes in assistance programmes and regulations regarding them. Although changes in availability of assistance are given publicity, it is easy to miss reading the newspaper or hearing the radio newscast just when changes are announced. Cases came to light in our investigations where persons were enduring unnecessary hardship

because they were not informed as to the appropriate agency from which help could have been forthcoming. A senior citizens' counselling service under one of the existing agencies would be a great boon to those who need to talk over difficulties, where information and helpful advice would be available. Such counselling service centres would have to be in a central location and easily reached by public transportation. Problems such as types and costs of available accommodation, finances, in fact, just the simple problems of living in a changed environment could be discussed and information furnished. By discussing health needs, hours of waiting in a doctor's or a dentist's office could be avoided. It could put a senior citizen in contact with an optometrist, a chiropodist, a chiropractor or assist in getting a hearing aid. Counselling experience in geriatrics would be required for such a centre but the services of volunteers could also be utilized. Information could be put right into the hands of pensioners through enclosures in envelopes along with the monthly pension cheque. A series of spot announcements about services available to the aged could be given on radio and TV as part of the public service announcements. Local stations could make announcements relevant to the local community. Repetition of the same information at intervals would be desirable and all to the good. Organizations within the church often have organized programmes for visiting senior citizens and many have clubs for them. Information pertaining to welfare and assistance programmes could be a regular service offered by church organizations.

IT IS RECOMMENDED:

That one of the existing agencies set up and operate a senior citizens' counselling service centre where older people could discuss and obtain information and counselling.

13 Meals on wheels is a valuable programme now being offered by some organizations. One good meal at regular intervals, served at cost, in the pensioner's home breaks the monotony of toast and tea and lessens the incidence of malnutrition. A problem in continuing and expanding this valuable programme is the rising cost of food and too few volunteers. Municipal welfare departments would be well advised to consider subsidizing an organization that would undertake this programme.

IT IS RECOMMENDED:

- a) That information regarding welfare programmes and all forms of assistance available to pensioners be included in mailings of pension cheques.
- b) That radio and TV stations include in public service announcements information directly concerning pensioners as spot announcements.
- c) That municipal welfare departments consider subsidizing organizations that undertake the provision of Meals on Wheels to pensioners.

Some typical comments made by pensioners are:

- 1. Rents are too high for most older people.
- 2. Low rental housing is badly needed.
- 3. Rent restrictions are needed - a house rented for \$35.00 per month until last year, now the rent has been raised to \$95.00 per month.
- 4. The cost of food is too high for those living on the old age pension to have a balanced diet.
- 5. A reduction in food, clothing and drug prices is badly needed.

6. It is obvious that those of us on a fixed income or on O.A.P. have a very real problem as inevitable expenses occur.
7. It seems that every month the cost of essentials is up in price.
8. Financial help with drugs would help greatly.
9. Inadequate income is the biggest trouble in obtaining medical needs.
10. If only the price of drugs was brought down, this would be a welcome relief.
11. Formulation of a comprehensive medicare programme with premiums related to ability to pay would help the pensioner.
12. Reduced fares on buses would help disabled pensioners.
13. Everyone on a pension or on O.A.P. should have at least one radio for entertainment.

Quotes from the London Council Report:

14 The extent of poverty among the aged is not readily apparent. It is hidden behind the curtained door of a forty-five year old house; it is within the partitions of a three-room flat made out of living rooms of an old mansion; it is a chilly bedroom with a few shelves and a hot plate in the clothes closet; it may also be found in municipal, private and nursing homes for senior citizens. It can be discovered by the watchful eye and the listening ear. We listened and we heard: - "I have to keep this pail here to catch the drip. I haven't been able to manage to have my roof repaired." "I've cut my circulation pills down to one a day so that I can make them last from one pension cheque to the next." "I tried to make some biscuits but there is something wrong with the oven so I made pancakes instead. You know I am right out

of bread but I can't go to the store until my pension cheque comes."
"Coffee is such a terrible price that I have started drinking hot water with powdered milk and sugar. Maybe it is better for me anyway."

15 After working a lifetime to educate children, pay off a mortgage so as to own a modest home, after keeping the ever-increasing taxes paid on it, and after struggling to build up a nest egg so as to live in dignity, people reach retirement and find that existence is a real struggle. Well may they ask the question, "Prolong life! What for?" Many are forced to sell their homes to move into cheaper quarters or into a lodge or senior citizens' home where their pension barely covers the monthly cost. They are dependent and forced to live out their lives on a small subsidy in an affluent society.

16 The high cost of prescription drugs and the hardship experienced by pensioners in paying for these, calls for some action to lessen this burden.

IT IS RECOMMENDED:

That prescription drugs be made available through Medicare, to pensioners who are receiving supplementary assistance.

CHAPTER III - RECOMMENDATIONS

1. That adjustments in old age security benefits be directly related to the consumer price index and the purchasing power of the dollar.
2. That old age pensioners who own and live in their own homes be exempt from school taxes on their homes.

CHAPTER III - RECOMMENDATIONS (continued)

3. That one of the existing agencies set up and operate a senior citizens' counselling service centre where older people could discuss and obtain information and counselling.
4. That information regarding welfare programmes and all forms of assistance available to pensioners be included in mailings of pension cheques.
5. That radio and TV stations include in public service announcements information directly concerning pensioners as spot announcements.
6. That municipal welfare departments consider subsidizing organizations that undertake the provision of Meals on Wheels to pensioners.
7. That prescription drugs be made available through Medicare, to pensioners who are receiving supplementary assistance.

IV. RURAL POVERTY

17 The existence and extent of poverty in rural areas was investigated by councils in urban communities where the adjacent farming area is a significant factor in the economy. In substance, the report from Chatham Council said that from contacts which were made with farm families during the study period, it was concluded that "those families that are living in dignity and pride have learned to live within their means." Those who said that their income was not sufficient for food and warm clothing for their children were those who did not have the knowledge or the inclination to establish priorities in their spending. "They waste their worldly goods and expect hand-outs", the report said.

18 The most severe hardships are suffered by those on marginal farms. For example, heavy rains causing flooding last year wiped out the entire crop, in which case the whole family takes on part-time and odd jobs. The father and older children may pick fruit and vegetables, the mother may work in the canning factory during the run. There is no welfare for these cases so they get out and find temporary jobs and hope for better luck next year.

19 A number of non-farming families live in rented houses on farms. It was found that in some cases the head of the family limits the number of weeks he works so as to be eligible for welfare. Houses, often the former hired man's house, can be rented cheap on farms in the area. For example, for \$50.00 per month a family can rent a warm house with electricity, running water and a central heating plant. Examples of interviews were included as follows:

- a) A family of seven - two children in secondary and three in elementary school - a share cropper, raising

tobacco and cucumbers. Benefits were a free house and garden. Expenses included utilities in the home, car, food, clothing, miscellaneous: Food (\$40.00 per month) - \$2,080.00; Clothing (Buying in the Spring and Fall) - \$2,000.00; Car (Installments, Gas, Upkeep) - \$500.00; Utilities (Gas, Hydro, Water) - \$200.00; Taxes, Insurance, Medicare - \$1,000.00; Miscellaneous and Savings - \$300.00

- b) This family has lived in Canada for six years. They raise tobacco and the father picks up as much part-time work as he can during his off season. The whole family helps with the farm work during the summer and at tobacco harvest time. The man and his wife, with help of the two older children on week-ends strip the tobacco. The father says that the family likes working out-of-doors and that anyway he does not have enough education to work elsewhere. His income is considerably higher here than it was in the old country. He appreciates the education his children are getting and thinks that they will be able to earn a good living without working as hard as he does. He would like to own his own farm but he says that is not going to be possible because it takes all he can make to live. For dental care, glasses, drugs, he has nothing to spend.
- c) A family of five - three children in school. The father is a hired man working for a farmer who raises pigs, tobacco, potatoes, grain and some fruit. He is earning \$75.00 per week and receiving family allowance for the children. He has a free house and utilities, a garden and fruit. The farmer pays his medicare, hospitalization, unemployment insurance and contributions to the pension plan. His ex-

penses are: Food - \$1,000.00; Clothing - \$1,000.00; Car - \$750.00; Insurance - \$500.00; Miscellaneous - \$200.00; and the most he can hope to save is about \$500.00 a year.

20 A survey was also made of wages paid for various types of farm work: A hired man working by the year - \$75.00 per week; a share-cropper - 50% of the selling price of the crop; for day labourers - tobacco harvest - \$2.00 per hour; stripping tobacco in winter - \$1.65 per hour; picking tomatoes - 20¢ a basket; picking strawberries - 10¢ a quart; raspberries - 10¢ a pint; picking cherries 35¢ per six-quart basket; picking pears, peaches and plums - \$1.50 per hour; grading and packing fruit - \$1.50 per hour; canning factory - \$1.25 per hour.

21 The report offered no solutions to the problems of poverty as they saw it. It would appear that in the cases cited, a lack of education and a lack of capital are unsurmountable barriers to improved economic circumstances. If, however, we are to have berries, fruits and vegetables, yes, and even tobacco, these crops must be picked and graded and packed by hand. Higher rates of pay for these workers would probably price these items out of the market.

22 The comment, "We feel that we have learned a great deal about the problems of our area in working on this study of Poverty", was the brightest note in this report.

23 A different set of circumstances was evident in the report from Georgetown Council of Women. There the incidence of poverty is slight with only scattered instances of it on the fringe of villages and towns in the area. With the industrialization of the area, it is not difficult to find employment. Where poverty does

exist it was found to be due to one or another of the following causes: a) inability to budget for family needs, or improvidence; b) itinerancy; c) too many children in a family, indicating a lack of family planning; d) long-term illness of a parent; e) second and third generation relief recipients to whom poverty has become a way of life; f) the one parent family (almost invariably female).

24 It was found that those who have the least to say about poverty were those who put up the most determined effort to better their conditions and to hide the fact that they are poor.

25 There was considerable evidence that day care centres are urgently needed to make it possible for mothers to accept employment. In the cases of the single parent families and the low income families, day care is a necessity which must be given highest priority.

IT IS RECOMMENDED:

That day nurseries be made more readily available where the need is evident.

CHAPTER IV - RECOMMENDATIONS

1. That day nurseries be made more readily available where the need is evident.

V. HOUSING AND LIVING CONDITIONS

26 It is in housing and living conditions that the corrosiveness and misery of poverty becomes clearly visible to us. We have little difficulty in understanding the social handicaps and the loss of morale, of public order and civilized relationships which are products of ugly surroundings, inadequate facilities, overcrowding and a low status address.

27 While maintaining that the City of Kingston cannot be classified as an average city, a report from a study committee of the Council of Women there stated that Kingston does have its share of poor people whose living conditions may well be typical. This committee found that two factors contributed to the state of living conditions, one internal and the other external, as follows:

Internal

- a) low earning power due to lack of education and training
- b) mother working and house not kept on day-to-day basis
- c) large family of children in crowded quarters
- d) poor management of income by both mother and father
- e) one parent homes
- f) mother lacking in housekeeping know-how or, if working, too weary to care
- g) frustration due to not being able to save enough for a down payment on a home
- h) poor relationship between tenant and landlord

External

- a) rising cost of land and lack of serviced lots
- b) high cost of building material
- c) slum landlords take advantage of their position. They can

charge any rent they wish and still get it. (In Kingston, there is an influx of 4,400 students, or about 70% of total enrolment, living off campus).

- d) Rents are high as illustrated by the fact that average weekly wage is \$100.00 per week and the average rent for a three bedroom apartment is \$175.00. (It is generally estimated that a fair price for rent should not be more than the average weekly income.)
- e) Thirty per cent of the total assessment of Kingston is provincially owned and no grant in lieu of taxes is received.
- f) The policy of the city is to raise taxes on improvements to property.
- g) Army personnel living outside their quarters.

Living Conditions

28 Many homes which were intended for a single family are being converted into small apartments resulting in overcrowding. Housing by-laws are not enforced because of the scarcity of accommodation. Maintenance of these rentals is neglected and back yards are allowed to become the repositories of old cars and discarded household appliances.

29 Efforts are being made to alleviate the conditions and it is expected that the following programmes will furnish some relief:

203 units in town houses renting on a priority system

based on points

94 bachelor units for senior citizens in a privately

owned project where rents are well below the

going figure for similar accommodation

90 units for old age pensioners under the City Housing

Authority

76 units for families under Limited Dividend Housing

30 In spite of these programmes, there were, as of April of this year, approximately 730 applications for housing on a waiting list. Of this number, 151 were for senior citizens.

31 The following interview illustrates how difficult it can be for a low income family to buy a house. This is a family of five and there is one roomer living in their home. The father is 63 years of age, a cook by trade, presently unemployed. The mother works as a library assistant at a general hospital. Only one of the children is living at home as the other two did not find it compatible. The roomer is from the rehabilitation centre. The house is one in a row of old stone houses in the oldest part of the city. The family is buying the house and has a first mortgage for \$5,500.00 at 10 1/2% and a second mortgage for \$5,000 at 13%, which still has two years to run. Payments are \$105.00 plus \$15.00 monthly, which means that very little is being applied to the principal. (The \$15.00 per month is to pay the taxes.) The family has no car. They are not able to buy in quantities nor take advantage of sales and bargain prices. They have taken the roomer to make ends meet. The home is modest, containing a kitchen, living room, four small bedrooms and a bathroom. A shed of wood originally attached to the back of the house is falling away. The house is badly in need of repairs. Even the replacement of a toilet became an emergency and was finally given as a Christmas and Birthday present to the mother. (Her only comment was that it was the most expensive present she had ever received.) This family had lived in a house without a bathtub for seven years

so that they could get out of debt. They were finally able to buy their present home. They cannot afford to go to the theatre nor even buy a cup of coffee without worrying about the expenditure. The struggle which people with low incomes have to own a home would be eased if they were not subject to income tax as well as property tax, sales tax and the many other taxes, many of them hidden. If governments are concerned about poverty as we believe they are, they will make sure that no man's net income is less than he would have received on welfare; that the tax burden for education and welfare is taken off of real estate so that municipalities can permit cheap housing without fear of bankruptcy; and that social insurance plans are more effective. Surely the greatest problem of the poor is housing.

VI. THE SINGLE PARENT FAMILY

32 In our society, each of us eventually experiences some form of family disorganization and the breakup of a normal family unit inevitably creates adjustment problems for the adults and children concerned. Some of the most serious of these adjustment problems occur when one or other parent is missing from the family unit.

33 According to the 1966 Canadian Census, 8.2 per cent of all Canadian families were classified as single parent families. Up-to-date statistics are not available but in 1961 when the average earnings of the family breadwinner in Canada were \$4,133, the earnings of single parent families were substantially lower. When a male was the single parent, his earnings averaged \$3,550 but when a female was the single parent, her earnings averaged only \$2,047. Since 81 per cent of all single parent families had female heads, the plight of these families is obvious. In addition to the personal adjustment problems mentioned above, most single parent families suffer serious financial problems as well.

34 Low incomes are characteristic of families headed by women. Most families with male heads report earned income as their main source of family revenue but nearly half of all families with female heads rely on some type of welfare payment. This fact has important social and psychological implications for the individuals as well as financial consequences for the family and for the community.

35 As a result of a series of investigations conducted by the Sudbury, Ottawa and Hamilton branches of the Provincial Council of Women, some of the most pressing problems experienced by these families are presented below. We cannot claim that our investigations were exhaustive or that our findings are original but

we are sure that the Members of the Special Senate Committee on Poverty will note that these findings corroborate and underscore the results of research carried out by professionals, results which demonstrate the distress and degradation of being poor in an affluent society.

Problems Reported by Single Parent Families

36 Obviously, the most important problem is inadequate income. While Mothers' Allowances and Welfare payments keep families from starvation, many families suffer from malnutrition because rent consumes a disproportionate share of the family income. For many, recreation or holidays are unknown. Yet, most women report a willingness to work if their earnings could be used to supplement rather than reduce the financial help they receive from various welfare programmes. This one provision alone would improve dramatically the circumstances of the single parent family.

1. Even when the female heads of families do work, however, and try to rely on their own earnings rather than on welfare payments, the market value of women's work is generally so low that the standard of living of their families is severely reduced. In these cases, discrimination against women means an injustice not only for the individual but for her unfortunate children as well. (We note the new legislation, Women's Equal Opportunity Act, 1970, aimed at eliminating this injustice.)

2. The lack of day care centres where working mothers might leave their children is deplored.

What facilities there are, and they are few in numbers, are far beyond the financial means of the average single parent family. Industries might very well provide day care centres for the pre-school age children of mothers they employ and they should be encouraged to do so. School boards should initiate programmes of after school supervision, where the need is evident, so that children whose mothers are working could remain at school until called for by a parent. Such a programme would make use of facilities already provided and not used by the school after 3.30 or 4 o'clock. It could provide supervised play, supervised library and homework periods and would provide employment for perhaps 15 hours a week for supervisors. It should not necessitate any marked increase in school budgets.

3. While a majority of the families considers that medical services are adequate, dental and optical care place a heavy burden on poor families.
4. Many single parents report that poor education and lack of occupational training make it impossible for them to break the cycle of unemployment and dependence on welfare payments.
5. Loneliness and feelings of inadequacy as members of the community often lead to withdrawal from society or sometimes to aggressive and anti-social behaviour.

6. Lack of help with budgeting their resources, poor home management and the availability of easy credit can compound the difficulties of the single parent and leave her with a legacy of life-long debt.
7. The depressing nature of the lives of many single parents can lead to a lack of family harmony, and often to a too ready dependence on alcohol for a little temporary relief.
8. The implications of all these drawbacks for the children of such families are enormous. Since they have never known any other way of life, these children may accept their circumstances as inevitable and never develop the initiative or motivation to try to change them. They are trapped in an environment which tends to be self-perpetuating.
9. There is a real concern that the direct dependence of a family of an estranged father may place that family in constant fear and uncertainty of its economic security. In some provinces, for example Ontario and Manitoba, legislation places an estranged family in a position of direct economic dependence on the estranged father and requires the wife to police her husband to ensure payment of the court-awarded maintenance payments. The two problems, first of support for the dependent family, and second of enforcing the estranged father to maintain his economic respon-

sibility toward the family he founded, are two distinct and separate problems. We believe that a provincially administered maintenance award fund should be established, into which defendants would be compelled to pay their maintenance payments and out of which dependent families would receive regularly the maintenance awarded by the court independently of the amount paid into the fund by the estranged father. The onus for collecting and administering the maintenance awards should be assumed by the province.

10. There is a particular need for single parent families to be better informed not only about their rights but also about possible sources of help for a multiplicity of their problems. Often they have no idea of where to turn for assistance. Much more imaginative means of calling to their attention all the services available must be used. Pamphlets could be mailed with Mothers' Allowance cheques; meeting points in a neighbourhood such as community centres, libraries, supermarket noticeboards and so on, could be used to advertise available services; brief public service TV and radio programmes could be developed to put across in 60 seconds ideas which a social worker simply does not have time to explain.

CHAPTER VI- RECOMMENDATIONS

1. That single parents be permitted to earn supplementary income

CHAPTER VI - RECOMMENDATIONS (continued)

- in addition to Welfare and Mothers' Allowance payments; this additional amount to be determined annually for each family according to its size and to be sufficient to maintain a reasonably acceptable environment for the family.
2. That day care for children of single parent families be subsidized so that the financial burden of such care be substantially reduced.
 3. That day care costs be deductible for income tax purposes.
 4. That dental and optical services be included under the National Health Service (OHSIP).
 5. That single parent families have priority in obtaining low rental housing.
 6. That each provincial Government set up a provincially administered maintenance award fund into which defendants would be compelled to pay their maintenance payments and out of which dependent families would receive regularly the maintenance awarded by the court, independently of the amounts paid into the fund by the estranged father; and that the onus for collecting and administering the maintenance awards be assumed by the province.
 7. That the various Government departments and social agencies institute creative and innovative means of communication with single parent families in order that such families become fully aware of all the services which are available to them.

VII. UNEMPLOYED: ABLE BUT WITHOUT WORK

37 The phrase "Unemployed - Able but Without Work" immediately raises the question, "Why is a man or woman physically able to work and not working? Is it because he or she will not work because of physical laziness or are there deeper reasons?" Information obtained by consulting representatives of Government agencies, revealed there were few actual cases of "sheer physical laziness" but there were many other deeply lodged reasons.¹

38 The Windsor Council of Women found that the problem of the unemployed person who is able to work could be divided into two categories; Physical and Emotional.

1. Many persons are physically able to perform but lack the skills or training for the job.
2. Sometimes they do not have suitable clothes for the work offered.
3. Persons may be physically unable because of long periods of inactivity or may have a long pattern of poor nutrition. They may lack dentures.
4. Families of the third and fourth generation who have lived continuously on welfare have developed a "way of life" under the protection of welfare assistance, resulting in a false sense of security.
5. If trouble arises, the problem can be taken to the social worker who can help in many instances when necessary such as a) if rent is raised; b) hospitalization and medical care; c) extra food and clothing.
6. When the head of a family moves from welfare to employment he faces new problems in the modern industrial world a) due to cut back in production;

- b) layoffs either temporarily or permanently; c) he may not be eligible for the money benefits available to the steadily employed man.
7. Pay for work may be below welfare payments. This is particularly evident in the case of the man with a large family. Welfare rates recognize the number of dependents but the rates of pay in industry are based on classification of work and do not recognize family responsibilities. Once off welfare, his increase in rent, transportation costs, hospital and medical expenses are now his problem.
8. In a high wage area, a man could have a sense of failure in accepting work at a rate below that which he earned in his last employment.
9. Inability to adjust to the change from an agricultural rural economy to an industrial urban economy.²
10. Inability to cope with rapidly occurring technical changes which require retraining.³
11. Automation results in skills becoming obsolete.
12. An economic recession resulting in fewer jobs and more welfare.⁴
13. Immigrant worker has difficulties in fitting into the Canadian economy.
14. Special concern should be given to the young people on completion of training who need experience in order to obtain employment.

IT IS RECOMMENDED:

1. That there be a complete overhaul of our present welfare

- policies since these do little to lessen the incidence of poverty or to restore dignity.
2. That greater encouragement should be given to persons to take advantage of courses offered for training and retraining.
 - a) by developing programmes to motivate their escape from the poverty cycle
 - b) by creating incentives to motivate adults to overcome their inadequacies in education, employment, income, housing and parenthood
 - c) by initiating training for children, who are victims of poverty culture, which would enable them to escape from the poverty cycle and would create in them a desire to escape.
 3. That study should be given to the disparity in income between persons belonging to unions and those who do not. An outstanding example of disparity exists in Sudbury where we are told 14,000 workers belong to the United Steel Workers Union. The legal minimum wage in Ontario is \$1.30 per hour for a 48-hour week, but the average rate per hour for a worker in INCO is close to \$4.00 for a 40-hour week. Here we have an example of a large percentage of the population of a community earning good wages while the unorganized, who work in small stores, secondary industries or for the City Works Department are beyond help.⁵
 4. That projects be established in areas which are populated predominately by recent immigrants, similar to the Toronto project known as "Services for Working People".⁶

29 Several reports which were received pointed up the necessity for a complete study and overhaul of present welfare policies, with a view to making these more effective in combating poverty. It was also emphasized that in any comprehensive plan to change present welfare policies, motivation, incentive and encouragement is of paramount importance in overcoming poverty.

References

1. Windsor Star, January 27, 1970
2. Ontario Economic Council report on Poverty and Industrial Reform - page VII
3. Ontario Economic Review, published by Department of Treasury and Economics, Vol. 7, No. 6, page 4
4. Report of Department of Social Services, City of Windsor, November, 1969
5. Proceedings, Special Senate Committee on Poverty, No. 25, page 25:15
6. An Ontario Government Service, 326A College Street, Toronto. In essence it is an off-the-street information service for newly arrived immigrants, under the Department of Labour and the programme is administered by the Human Rights Commission.

Reference Studies

1. Economic Council of Canada Annual Reviews
2. Senate of Canada Proceedings of Special Senate Committee on Poverty.

CHAPTER VII - RECOMMENDATIONS

1. That there be a complete overhaul of our present welfare

CHAPTER VII - RECOMMENDATIONS (continued)

policies since these do little to lessen the incidence of poverty or to restore dignity.

2. That greater encouragement should be given to persons to take advantage of courses offered for training and retraining:
 - a) by developing programmes to motivate their escape from the poverty cycle; b) by creating incentives to motivate adults to overcome their inadequacies in education, employment, income, housing and parenthood; c) by initiating training for children, who are victims of the poverty culture, which would enable them to escape from the poverty cycle and would create in them a desire to escape.
3. That a study be undertaken of the disparity in income between persons belonging to unions and those who do not.
4. That projects be established in areas which are populated predominantly by recent immigrants, similar to the Toronto project known as "Services for Working People".

VIII. POVERTY AMONG INDIAN AND METIS PEOPLES

40 This chapter is a compilation of reports from the Brantford Council of Women based upon the observations of people who are conversant with the historical background and whose observations are tempered by their understanding of the traditions and culture of the peoples of the Six Nations Confederacy. It would be redundant to recite the past again but it must be remembered to better understand the nature of these people today. However, poverty with reference to the Indian peoples exists in education, health, economic development and social acceptance.

41 What does the Indian want? He wants to have a share in Canada's wealth and opportunities; to be accepted into the community on his own merit. In the past, Indians have been segregated from the rest of Canadians by living on the reservation. Attempts at integration with the rest of the community have been greatly hindered by a lack of acceptance on the part of the community and have been extremely painful and difficult for the Indian. It will take time for acceptance to grow and for the Indian people to make the adjustments required to become a part of an entirely new environment. Dr. Elliott Moses, an Indian leader, warns that, "the past must not be allowed to destroy the present and the future". Chief Virginia Sumners of the Oneidas urges, "the sooner Indian children are integrated into regular schools, the better their chances of being accepted by non-Indians. Indian parents are just beginning to recognize the value of education."

42 Technological and trade training must be part of the education offered to Indian children so that they will have an equal chance for employment. When they are able to compete successfully for jobs their self-image will be strengthened and their self-esteem

will be built up.

43 We are told that today over 3,000 Indians are taking university and adult education courses and that 95% of the children are attending school. One half of the Indian population is 16 years of age or less, which suggests that education may be one of the keys to a solution of present problems. A hopeful indication is to be found in developments in southern Ontario. The Iroquois and Allied Indians of southern Ontario reservations who have had educational advantages are organizing a task force to provide leadership and help the one quarter of the population without education. They are drawing up counter proposals to the old Indian Act and studying the new Indian policy outlined in the white paper, last June, by the Minister of Indian Affairs. The Indians are voicing opposition to provincial control. New concepts in education are being suggested which would bridge the gap between Indians and modern society. A factor in the success of gaining equality of opportunity for employment will be a change in the image of the Indian worker in the minds of employers. It will require a determined effort both on the part of the worker and the employer. Mr. C. G. Monture, O.B.E., the Indian geologist, says, "Our faith is rooted in the belief that Canada will be stronger and her reputation brighter, that prosperity of her industry and commerce will be greater if the nearly half million citizens of Indian and Eskimo background are helped to find their way into the national community, to stand on their own legs, economically, and politically, and adjust to the white man's civilization on terms they can understand and accept".

44 The fundamental differences between Indian and non-Indian on the question of land rights must be understood by both sides so

that acceptable solutions can be found. Until the land-rights question is solved, the Indian will never be truly integrated. When land was set aside for Indian reservations, long before Confederation, this seemed to be a practical solution to co-existence of native peoples and settlers. When roads were built, when hydro, telephones, provincial police protection and even running water came to towns, villages, and rural areas, the reservations were by-passed. As some Indian leaders resented an over-protective Government, this was not considered a serious realm of neglect at the time. When pioneer cabins were replaced by new houses, very few new houses were built on reservations. Poor housing and lack of modern conveniences contributed to frustration, to loss of pride and to the general lowering of morale. When Indians move into urban areas, a lack of training means low earnings and the poorest living conditions. Providing welfare houses has not been any more successful with Indians than with non-Indians. A system of purchase by mortgage has been worked out in some instances whereby band members with good working habits may purchase a house. The sense of ownership and achievement has done wonders to improve standards of living and to develop a pride of ownership.

IT IS RECOMMENDED:

That the Government expand its credit to Indians who qualify for loans for mortgages to buy homes.

4.5 It was pointed out that a law may be a very good one but bungling in the implementation of regulations by a civil servant may miss entirely the intent of the law. Some of the fear, distrust and hostility towards non-Indians has grown out of past treatment

by Indian agents on reservations. It is true that more Indians are being employed in such posts, in services to Indians, in industry and construction but discrimination still exists. For example, there are 63 Indian Superintendents across Canada but only three are Indians. There is considerable evidence to show that some of the problems relating to Indians and Metis peoples have been caused by the attitudes, the indifference and the incompetence of the lower echelon of officialdom at all levels of Government. Efforts to overcome the near insurmountable bureaucratic obstacles to Indian self-government are interesting and revealing. The evolution of Walpole Island illustrates what is happening in southern Ontario. Ten years ago, another reservation called Muncey, about 20 miles down the Thames River from London, was considered to be in a hopeless condition. Today, an underpaid staff of two Indians is not only doing the work formerly done by eight civil servants, but they are improving it. The changes which have taken place are remarkable. Of course, there is still some poverty but not as dire as it was.

IT IS RECOMMENDED:

That Indians be appointed to civil service posts which have to do with the administration of Government programmes for Indians.

46 Poverty among the Indian peoples began in the past. We are realizing now that steps must be taken which would help Indians become productive and creative once more. The Indians themselves must decide what their needs are and how they can be achieved. They must be listened to when they have made these decisions.

Unilateral planning by the Government cannot assume to be effective. It has not been successful in the past. With Indians and the Government working together, priorities could be established and understanding achieved.

47 There are increasing numbers of requests from Indians for the establishment of manufacturing plants and small industries on or near Indian reservations. One type of industry which seems admirably suitable for such location would be for the manufacture of authentic Canadian souvenirs using Indian designs. There is a ready market for souvenirs of this kind. Much of this merchandise is presently made in Japan, Formosa, Hong Kong and the United States and is imported for sale here.

IT IS RECOMMENDED:

That the Government of Canada, through combining the resources of its retraining programme with that of economic development, make it possible for native communities to initiate industries, thus providing employment on or near the reservation.

CHAPTER VIII - RECOMMENDATIONS

1. That the Government expand its credit to Indians who qualify for loans for mortgages to buy homes.
2. That Indians be appointed to civil service posts which have to do with the administration of Government programmes for Indians.
3. That the Government of Canada, through combining the resources of its retraining programme with that of economic

CHAPTER VIII - RECOMMENDATIONS (continued)

development, make it possible for native communities to initiate industries, thus providing employment on or near the reservation.

IX. THE DISADVANTAGED

48 "We, the handicapped, have the right to take part in our society...." This thought appeared in a letter to the editor of the Globe and Mail on April 24, 1970, and the writer seems to have summed up in a very few words the content of this chapter. The sentence applies equally well to the physically and the mentally handicapped. Poverty must not be allowed to be an additional hurdle to the disadvantaged, neither to those who are capable of entering fully into Canadian life, nor to those who can enter only partially.

The Physically Handicapped

49 Basically, the same question was asked by two physically handicapped people who were interviewed during the preparation of this study. Each of them wondered whether Governments ever consulted the handicapped when they were making decisions on their behalf. The influence of disadvantaged people was so slight, they said, as to be almost non-existent.

50 A specific example quoted was the "comfort allowance" provided to the physically handicapped confined to nursing homes and hospitals. In Ontario, this is \$15 per month and it must pay for clothing and other necessities, particularly for the person who has few friends or relatives to help out. The amount is inadequate. When Ontario recently increased the allowance made to handicapped persons living at home or independently, no increase was provided for those in institutions. It may be wondered how they could afford to "take part in society", even if they are well enough to enjoy hobbies or attend outside activities, as many of them can. Special transportation, for example, is very costly

for a wheel-chair patient.

IT IS RECOMMENDED

That Governments seek to prevent through more adequate allowances the cultural alienation of the physically handicapped person who must live in an institution.

51 The second specific complaint was made by a physically handicapped man who lives independently and whose Government pension is under \$150 a month. As a single man in Ontario, he may earn up to \$24 a month without reduction in allowance, but once he passes that earned income point, his disability allowance is reduced. He cannot pick and choose where he will live with economy in mind, since he must live where he can enter in a wheel-chair. His expenses for transportation are necessarily high.

IT IS RECOMMENDED

- a) That in setting allowances, Governments take greater notice of additional expenses faced by some physically handicapped persons.
- b) That automobile licences for paraplegics and others who cannot travel by public transportation to their places of employment be reduced in price or issued free-of-charge.
- c) That other provinces follow the lead of British Columbia in returning to paraplegics and others who must travel to their places of employment by car at the end of the year money paid in provincial gasoline tax.

- d) That Governments consider allowing the handicapped person to earn a much higher amount before the disability allowance is reduced.

52 It might be remembered that when allowances are reduced dollar for dollar as earned income is received, the earned income in fact is taxed at 100 per cent.

53 Attention is drawn to a principle suggested in the white paper on welfare recently released in New Brunswick. It is suggested that there might be more than one category of payment and this might be investigated also in the case of disability allowances. Those who could not be employed because of their handicap might be paid a higher sum than those who have the ability to earn a living; those with good earning power might be permitted to retain up to one-half of what they earn before disability payments would be reduced; those who had a limited potential for earning might receive a level of payment between the other two groups.

54 Employers must be encouraged and educated to employ the physically handicapped and to make special arrangements to do so when necessary.

IT IS RECOMMENDED

That Manpower offices be required to bring to the attention of employers the ability and availability of handicapped personnel.

55 There is a difference of opinion with respect to just how minimum wage laws should be written with respect to physically handicapped persons. In many cases, the physically handicapped person can perform on the job as well as, and sometimes better

than, the non-handicapped person. Minimum wage should be mandatory for a handicapped employee who is capable of earning the full rate. An exception might be allowed only for an employee who for reasons of disability is less productive. Some people fear that if employers encounter too much red tape in the case of applying for the right to pay a lesser amount, there will be a loss of jobs open to the handicapped.

IT IS RECOMMENDED

That minimum wage laws be examined to insure that they protect the handicapped worker who is fully capable of performing on the job, without reducing opportunities for seriously handicapped persons who, by special arrangement, might be employed at a lower rate.

56 In a report received from Owen Sound Local Council of Women, there is a reference to the situation faced by the physically handicapped child and the parents of the physically handicapped child:

"While poverty presents obvious difficulties for the physically handicapped, the Owen Sound investigation showed that poverty need not prevent a child from receiving proper treatment or needed prostheses. Public health workers and service clubs are willing to assist in making arrangements for the provision of these."

The Mentally Retarded

57 The position of the retarded in the community is also described in the Owen Sound report:

"A large percentage of the many Canadians who are physically, mentally or emotionally handicapped will never be self-supporting. The largest group, about 600,000 are mentally retarded. Modern medicine and therapy may help some to escape from long-term dependency but the majority will have to rely on social assistance measures all of their lives. We can only hope that research may discover the causes, preventatives and cures for retardation. The severely retarded will require custodial care, an area in which marked improvement should continue to be made. Special schools and sheltered workshops are making it possible for the less severely retarded to become personally independent for longer periods of their lives."

IT IS RECOMMENDED :

That there be additional research which may lead to a better understanding of the problem and to a decrease in the incidence of retardation.

58 When these children are ready to move into employment, as many are, it is now almost universally accepted that they should be integrated into normal community life. Many retarded people are qualified to work and there should be vocational training opportunities for those who can work in industry and for those who must always remain in a sheltered workshop environment. There is need for Government financial assistance and for education of industry and Government in their hiring policies.

59 More on-the-job training is required.

60 Employers should be willing to lower their requirements for less skilled jobs.

61 Study of jobs in industry would likely reveal that many could be divided: that routine parts of some operations could be done by the retarded and the more skilled parts done by others. That is, jobs could be adapted to the individual, not the individual to the job.

62 Legislation should protect the right of the retarded to minimum or prevailing wages, where these can be earned, and there should be proper safeguards if exceptions are permitted.

63 More sheltered workshops should be set up near large industries to produce small parts on contract.

64 Manpower offices should be directed to co-operate in placing mentally retarded in jobs they can perform.

65 Nor should Government agencies be overlooked by Manpower. They, too, should absorb retarded personnel whenever possible.

Conclusion

66 Employers, Government included, have often been hesitant to welcome the handicapped. When they are hired, it is often because no one else can be found. This attitude must be changed and a more positive one must be adopted.

CHAPTER IX - RECOMMENDATIONS

1. That Governments seek to prevent through more adequate allowances the cultural alienation of the physically handicapped person who must live in an institution.
2. That in setting allowances, Governments take greater notice of additional expenses faced by some physically handicapped

CHAPTER IX - RECOMMENDATIONS (continued)

persons.

3. That automobile licences for paraplegics and others who cannot travel by public transportation to their places of employment be reduced in price or issued free-of-charge.
4. That other provinces follow the lead of British Columbia in returning to paraplegics and others who must travel to their places of employment by car at the end of the year money paid in provincial gasoline tax.
5. That Manpower offices be required to bring to the attention of employers the ability and availability of handicapped personnel.
6. That Governments consider allowing the handicapped person to earn a much higher amount before the disability allowance is reduced.
7. That minimum wage laws be examined to insure that they protect the handicapped worker who is fully capable of performing on the job, without reducing opportunities for seriously handicapped persons who, by special arrangement, might be employed at a lower rate.
8. That there be additional research which may lead to a better understanding of the problem and to a decrease in the incidence of retardation.

X. THE WORKING POOR

67 At the outset of the study of poverty by the Provincial Council of Women of Ontario, members were told by Professor D. L. McQueen of Glendon College, York University, Toronto, that most of the poor are working poor - either they have jobs or are extremely anxious to get them. One of the most serious unsolved policy problems of our day, he said, is the problem of restraining inflation in a high-employment, high-growth economy, which is so important to their welfare. There have been some changes in that economy in recent months, but the problems of the working poor remain the same.

68 As this study progressed, it became obvious that those problems are many and varied. It might be said that almost all departments of Government should have this group in society in mind whenever new legislation is under consideration.

Burden of Taxation Borne by Working Poor

69 An attempt was made to investigate the total impact of taxation on the working poor, including municipal taxation, corporation taxation and all forms of sales taxes. The percentage of sales taxes at the consumer level in, for example, the prices of a pair of shoes, house furnishings or clothing can be established, but there is apparently continuing discussion by academics and tax experts on where the full weight of taxes lies. It is generally admitted that a proportion, and quite a high proportion, is passed on in prices, but there is no agreement as to the percentage.

70 In this connection, a quotation from the Chairman's Preface to the Report of the Special Committee appointed by the Government of Alberta to study Assessment and Taxation is of interest:

"Commercial properties - Properties containing wholesale or retail sales businesses, so long as they are assessed and taxed fairly relative one to another, may to a large degree shift the burden partly onto the buying public. It would appear that this is the case in Alberta." It is not likely that the experience of Alberta differs from that of other provinces.

71 Sales taxes are regressive since those with low incomes pay a higher percentage of their incomes in this way. The exemption of tax on food, children's clothing and some other items is helpful.

72 Large families pay more of their income in sales tax than do small families. A newly-formed family that buys and furnishes a house pays a great deal in sales tax that is not paid by other families. Some families may pay a higher proportion of the income through sales taxes than others because they choose to buy different items. There are taxes on taxes, since parts of a product may already have paid a sales tax and since machinery used in production may be taxed.

73 It would seem only sensible to reduce sales taxes by shifting them elsewhere if this could be done without interfering with necessary Government revenue.

74 The White Paper on Taxation indicates that the matter of sales taxes is not urgent, but if the Government considers their importance to the working poor and other low-income people, surely it would become of first importance. As it is, the White Paper leaves largely untouched the whole problem of pyramiding taxation.

75 A large part of the tax burden is made up of various kinds of taxes, including both federal and provincial sales taxes. Under the White Paper, the working poor will be relieved of income tax

or pay a minimal amount through an increase in the exemption, but what is not known is how much these people will pay in other taxes. It is difficult to believe that this information cannot be extracted, in spite of the statement made by Mr. R. B. Bryce, economic adviser on the Constitution to the Prime Minister, when he appeared recently before the Commons Committee on Finance, Trade and Economic Affairs. He is quoted as saying that the Government gave serious thought to trying to account for inflation in the tax system but "found the task too complex". Its complexity does not make it go away.

76 One estimate noted in the press is that sales taxes across Canada now raise about \$4 billion a year. For most Canadians, this is equivalent to a combined retail rate ranging from about 13 per cent to more than 16 per cent.

77 It is disturbing to read that the Director of the Canadian Tax Foundation believes that further major growth of Government spending in Canada may force the tax authorities to bear down more heavily on consumption taxes. Total Government expenditures rose from 1938 to 1948 by 170 per cent; from 1948 to 1958 by 195 per cent; from 1958 to 1968 by 140 per cent. He estimates a doubling of Government expenditure between 1967 and 1975 to \$43.5 billion. Wider use of sales taxes, he warns, will be required. He suggests that the regressive feature of the tax can be offset by adjustments in income tax and through social security and welfare systems.

IT IS RECOMMENDED:

That since sales taxes fall most heavily on low-income people, they be a matter for immediate study by Government.

IT IS RECOMMENDED:

That the way in which all forms of taxation enter into consumer prices be a matter for immediate study by Government in the interest of low-income people.

78 Whatever recommendations are made by this committee, it should try to avoid making suggestions that will increase taxes of taxpayers in the lower brackets.

Business Growth as a Benefit to the Working Poor

79 Following is quoted from the testimony of the Director of the Economic Council of Canada before the committee on April 22, 1969:

"In attacking poverty, everything depends on a satisfactory performance in the economy at large. That is to say, there must be economic growth, there must be a high level of employment. Without that we will not be able to make much progress with other anti-poverty devices. It is extremely important that the aggregate of employment opportunities in the economy be sufficient. This should never be forgotten."

80 The working poor will be the first to suffer from slower business growth, just as they are the first to suffer from inflation. The Prices and Incomes Commission, which is attempting to control inflation might be reminded that wages and salaries make up 55.2 per cent of the Gross National Product, Government expenditures 33.5 per cent and profits before taxes 10.2 per cent. The commission has recently sent a circular to taxpayers advising the consumer to be a tough customer and to have a commonsense approach to pay increases. What the commission did not mention in its leaflet was Government expenditure. This was in spite of

the fact that the approach of the commission, as widely advertised earlier in the year, was a three-pronged effort to combat inflation by means of policies affecting prices, wages and Government expenditure.

81 According to the Statistical Review of the Dominion Bureau of Statistics, total Government current expenditure on goods and services in 1969 was \$13,745,000,000. (This figure is exclusive of transfer payments.) With a population of 21,260,000, this means that the expenditure was at the rate of \$646 per capita. If the average family consists of 3.6 persons, then this expenditure was \$2,325 per average family. (For purposes of comparison, the average family in the city of Toronto is estimated to spend \$1,400 per annum on food.) It would seem that the most inflationary factor is Government spending, which has increased at a much greater rate than have expenditures on food, clothing, housing and other factors.

82 All levels of Government, federal, provincial and municipal, should make even greater efforts to curb or reduce unnecessary spending. It is recognized that much Government spending is fixed by agreement and that it increases because of population growth, but Governments should always have before them the situation of the working poor whenever they make decisions on spending.

IT IS RECOMMENDED:

That Governments make long-range plans for control of Government spending.

83 The curbing of business growth is damaging to the working poor. It should be a tool used sparingly.

Demands for High Wage Increases

84 The Prices and Incomes Commission has not succeeded in securing the co-operation of labour unions in its efforts to reduce inflation. The working poor stand to lose when excessive wage demands are granted. Canadian Grocer, April, 1970, comments on the current round of union negotiations in the food retailing industry. If the demands are accepted, the magazine states, food prices could increase another 4 per cent. The request is for up to 50 per cent increases in addition to shorter hours. The only way increased prices could be prevented would be if there were a very great increase in sales per man hour, which does not seem to be possible. Net profit figures for the stores concerned are running at a low rate, according to the article.

IT IS RECOMMENDED:

That the Prices and Incomes Commission be urged to continue to press labour to agree to co-operate in the efforts to fight inflation.

Status of Women

85 The report of the Royal Commission on the Status of Women will, it is hoped, have something to say about the plight of those women who are low-income earners, and in particular those who are the heads of families.

86 The Canadian Federation of Business and Professional Women's Clubs (which is one of the federated societies of the National Council of Women) presented to the Prime Minister in February of this year a resolution requesting that a permanent commission or board on the status of women be constituted. Such a permanent body would, in our opinion, further the cause of

women as workers.

IT IS RECOMMENDED:

That the Government establish a permanent commission
or board on the status of women.

87 It would also be expected that the Women's Bureau of the
Manpower Department would continue its concern for women in the
low-income bracket.

Basic Income Tax Exemption

88 It is noted that the Canadian Federation of Business and Pro-
fessional Women's Clubs pointed out in its brief to the Prime
Minister in February that while the Government has made changes
in income tax statutes over the last twenty years to relieve the
tax burden of certain groups, no tax relief has been granted to single
persons, especially those in middle and low income groups.

IT IS RECOMMENDED:

That Government be requested to increase the basic
exemption in the Income Tax Act.

Exemption from Tax of Child Care Expenses Recommended in
White Paper on Taxation

89 As it now stands, the suggestion with respect to the exemption
from income tax of child care expenses up to a certain amount
would benefit to the highest degree highly-paid working mothers.
It was suggested by one person interviewed that the deduction
should be allowed from the income of either parent in a family
where both parents are employed, and not from the wife's tax
only, as seems to be implied in the White Paper. This would

Special Senate Committee

mean that a mother could take a low-income job if she had no special training or a part-time job and the family would still benefit from deduction for child care expenses.

IT IS RECOMMENDED:

That the Government be asked to study further its proposal for child care expenses in an effort to find a method that will benefit the low-income earner.

Working Women with Dependents who Require Care

90 No provision for tax exemption is made for the working woman who must employ someone in the home where there is a dependent requiring care. The White Paper on Taxation recommends tax relief for working mothers only. The Canadian Federation of Business and Professional Women's Clubs brought this matter to the attention of the Prime Minister in February. This is of special importance to a woman who is working in a job at which she receives a low rate of pay.

Welfare and the Low-Income Earner

91 During preparation of this brief, it was noted that the Alberta Government plans a pilot project to give welfare recipients the financial incentive to become self-supporting. Those in the project will be able to earn up to \$75 a month before welfare cheques are reduced (a basic \$25, plus \$10 for each dependent up to \$75). At present the ceiling is \$25. It is argued that it is better to invest something in the working poor by means of supplementary assistance than to keep people on total welfare. This experiment should be observed by all provinces.

92 Other provinces should also follow with interest study of the

New Brunswick White Paper on Welfare. It is suggested that permanent welfare cases should be paid a higher sum than those with the ability to earn a reasonably good living. As an incentive, those on welfare with earning power would be permitted to retain up to one-half of their earnings. For the in-between group with ability to earn at a lower level, there would be a third category. The principle would be "a decent standard of living" for the sick, disabled, the aged and families with female heads, while the "work incentive" would be applied to those who could be employed.

92 It is not, in our opinion, a fact that the majority of poor people prefer to be on welfare rather than to take low-income jobs. Most would respond to incentive programmes. It was noted that the Director of the Economic Council of Canada said (April 22, 1969, before the Committee) that all welfare structures, all anti-poverty structures should contain some kind of incentive for those who have potential to seek earnings.

IT IS RECOMMENDED:

That the Minister of Health and Welfare be urged to table at the earliest possible moment, the White Paper on Social Security referred to in the Speech from the Throne (October 23, 1969) in order that there may be a better informed public discussion of incentives and related matters.

Minimum Wages

94 Although the Government has refused in the Commons to release a Labour Department study of the effects of minimum wages on the economy for the reason that it was done for departmental use only, it is suggested that the Senate Committee should ask to

have access to the study since the whole matter of minimum wages is of concern to low-income earners.

25 A recent study published by Queen's University and prepared by Frank Whittingham, a research officer with the Ontario Department of Labour, says that "some contribution towards alleviating poverty" has been made by the introduction of minimum wages, but the study states also that more direct redistribution of income would be brought about more efficiently by methods such as a negative income tax geared to providing a guaranteed minimum income.

26 It is noted that the Director of the Economic Council of Canada could only say to the committee (April 24, 1969) that "minimum wages are a controversial subject". He added that the minimum wage is not striking at the real heart of the problem which is that of raising the productive capabilities of the poor so that they can move permanently into the mainstream of the economy. There is also the fact that if it is attempted to cope with the problem of the working poor only by raising minimum wages, some low-wage-rate industries may disappear, and with them, jobs.

IT IS RECOMMENDED

That there be more basic study of the subject of minimum wages.

Federal Sales Tax on Margarine

27 Because margarine is the only staple food that is subject to federal sales tax, it is felt that it deserves special mention. The price of margarine is of special importance to anyone on a low income. Removal of the tax has been recommended by consumers' associations for many years and, according to a report noticed

in the press, it has recently been recommended by the Canadian Consumer Council. If the dairy industry must be protected or subsidized, some method should be sought other than one that penalizes low-income consumers.

IT IS RECOMMENDED:

That the Government be urged to remove the
12 per cent federal sales tax on margarine.

98 The question of Government subsidies of Canadian butter and the discouragement of butter imports should also be investigated. It is noted that at trade meetings in April of this year, New Zealand made a particularly strong appeal with respect to the admission of dairy products into Canada but made little progress because the Canadian representatives at the talks insisted on the need to protect the domestic industry. It is recognized that this is a difficult problem but the low-income consumer should be given consideration whenever possible where staple foods are concerned.

Consumer Debt

99 Most of those who commented on consumer debt were agreed that it can be disastrous for a low-income family. While it is a provincial matter under the Constitution, it would be valuable to have uniform credit legislation across the country. The Provincial Council of Women of Ontario has endorsed the need for education on this subject at the elementary and high school level for both boys and girls. While it is also obvious that there is need for more debt counselling, it is a fact that all the counselling in the world will not assist the family that cannot get out of debt through its own earning power.

IT IS RECOMMENDED:

That there be a study of the possibility of making the declaration of personal bankruptcy more readily available to low-income people who cannot otherwise be helped.

The Marketplace

100 It is sometimes possible to over-emphasize standards and it is suggested that this may have been done in grading foods, to the degree that low-cost foods are not available, although they may be just as nutritious. Occasionally, in times of shortages, some of these low-cost items will appear on the grocers' shelves. They should be there always for the benefit of the working poor and, in fact, for all consumers.

101 Efforts to make known to the public that low-grade foods are often as great in food value should be increased for the benefit of low-income earners.

102 In the case of some durable goods, low-cost items may be of shoddy quality. The working poor may not be able to afford to buy good quality items and are, therefore, at a disadvantage. More shopping guidance should reach the working poor.

Information

103 The working poor very often do not know what are their rights and what services are available to them, such as legal aid. In a study by the Welfare Council of Canada of credit buying and debt, it was discovered that many families who were in difficulties did not know that debt counselling services were available.

IT IS RECOMMENDED:

That all levels of Government jointly support information bureaux operated at the municipal level to provide information and act as referral services.

Need for Study

104 There is an obvious need for continued study of the problem of the working poor. More has been done in some other countries in this regard than in Canada. With some adjustment, the results of one United States study might be related to Canada. This is the study by the University of Wisconsin Institute for Research on Poverty of a \$5 million experiment in New Jersey, in which outright grants of money were given to some families to bring their incomes above \$5,300. It is reported that this form of guaranteed income appeared to encourage the poor to work harder, to spend their money more wisely and to save the taxpayer administrative costs. A similar study is now being done with a group of families in a rural area.

IT IS RECOMMENDED:

That more study and experimentation be undertaken in Canada to find the best method to assist the working poor to rise beyond the poverty level.

CHAPTER X - RECOMMENDATIONS

1. That since sales taxes fall most heavily on low income people, they be a matter for immediate study by Government.

CHAPTER X - RECOMMENDATIONS (continued)

2. That the way in which all forms of taxation enter into consumer prices be a matter for immediate study by Government in the interest of low-income people.
3. That Governments make long-range plans for control of Government spending.
4. That the Prices and Incomes Commission be urged to continue to press labour to agree to co-operate in the efforts to fight inflation.
5. That the Government establish a permanent commission or board on the status of women.
6. That Government be requested to increase the basic exemption in the Income Tax Act.
7. That the Government be asked to study further its proposal for child care expenses in an effort to find a method that will benefit the low-income earner.
8. That the Minister of Health and Welfare be urged to table at the earliest possible moment, the White Paper on Social Security referred to in the Speech from the Throne (October 23, 1969) in order that there may be a better informed public discussion of incentives and related matters.
9. That there be more basic study of the subject of minimum wages.
10. That the Government be urged to remove the 12 per cent federal sales tax on margarine.

CHAPTER X - RECOMMENDATIONS (continued)

11. That there be a study of the possibility of making the declaration of personal bankruptcy more readily available to low-income people who cannot otherwise be helped.
12. That all levels of Government jointly support information bureaux operated at the municipal level to provide information and act as referral services.
13. That more study and experimentation be undertaken in Canada to find the best method to assist the working poor to rise beyond the poverty level.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 51

THURSDAY, JUNE 18, 1970

WITNESSES:

The Canadian Chamber of Commerce: Mr. Roland K. Carty, Vice-Chairman of the Executive Council; Lt. Gen. Frank J. Fleury, Chairman of the Health and Welfare Committee of the Executive Council; Mr. R. B. MacPherson, Mr. Léon Mondoux and Mr. J. W. Moreland, Members of the Health and Welfare Committee; Mr. C. Herb. Schoffield, General Manager; Mr. W. J. McNally, Manager, Policy Department.

APPENDIX:

"A"—Brief submitted by the Canadian Chamber of Commerce.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , Deputy Chairman)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—

Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—

Resolved in the affirmative."

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, June 18, 1970.

Pursuant to adjournment and notice the Special Senate Committee on Poverty met this day at 9.30 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Eudes, Fergusson, Fournier (*Madawaska-Restigouche*), Inman, McGrand, Pearson and Quart. (8)

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

THE CANADIAN CHAMBER OF COMMERCE:

Mr. Roland K. Carty, Vice-Chairman of the Executive Council;

Lt. Gen. Frank J. Fleury, Chairman of the Health and Welfare Committee of the Executive Council;

Mr. R. B. MacPherson, Member of the Health and Welfare Committee;

Mr. Léon Mondoux, Member of the Health and Welfare Committee;

Mr. J. W. Moreland, Member of the Health and Welfare Committee;

Mr. C. Herb. Schoffield, General Manager;

Mr. W. J. McNally, Manager, Policy Department.

(*Biographical notes concerning the above witnesses immediately follow these Minutes.*)

The brief prepared and submitted by The Canadian Chamber of Commerce was ordered to be printed as appendix "A" to these proceedings.

At 12.00 noon the Committee adjourned until Monday, July 6, 1970, in St. John's, Newfoundland.

ATTEST:

Georges A. Coderre,
Clerk of the Committee

BIOGRAPHICAL NOTES

ROLAND K. CARTY—MONTREAL

Elected Vice-Chairman of the Executive Council

The Canadian Chamber of Commerce

In business life Mr. Carty is Executive Vice-President—Finance and a Director of Canron Limited, Montreal. During the past year, he served as a member of the Executive Council and Co-Chairman, Public Finance & Taxation Committee, The Canadian Chamber of Commerce.

Born in Midland, Ont., January 5, 1919, he was educated at Queen's University. Mr. Carty commenced his career with Canadian General Electric Co. in the General and Cost Accounting Department in 1941. He rejoined the Company after the war in 1946 as a Travelling Auditor.

From 1949-51, he worked as Secretary-Treasurer of Canadian Allis Chalmers Ltd. Mr. Carty returned to Canadian General Electric Co., and, in 1952, was appointed Finance Manager, Industrial Products Division. In 1955, he joined Canada Iron Foundries, Limited (now Canron Limited) as Controller, and attained his present position in 1965. He was made a Director of the Company in 1967.

Mr. Carty takes an active interest in community work, and is the Honorary Treasurer, Canadian National Institute for the Blind. He is also a Director of Junior Achievement of Canada and Junior Achievement of Greater Montreal.

Mr. Carty is married and has five sons and a daughter.

C. HERB SCOFFIELD, GENERAL MANAGER,

The Canadian Chamber of Commerce

Mr. Scofield was born in Liverpool, England coming to Canada at an early age. He took his schooling at Brantford and was employed for 18 years by Waterous Limited where he became purchasing agent.

In 1946 he joined the staff of the Canadian Chamber of Commerce as manager of the Membership Department and since then has been involved in all aspects of the Canadian Chamber's work. On January 1, 1968 he was appointed General Manager, succeeding D. L. Morrell. For several years prior to that as Assistant General Manager he directed Canadian Chamber programs in the area of Membership and Organization Services and latterly in the fields of public affairs, policy and research, Canada-U.S. relations. Among other things, he was responsible for the implementation of an economic opportunity program under which communities are helped to take stock of their resources for economic growth.

In earlier years, Mr. Scofield was very active in voluntary Chamber of Commerce work and is a former President of the Brantford Junior Chamber of Commerce and a former national Vice-President of the Canada Junior Chamber of Commerce. In Brantford he played an active part in community affairs, serving on the City Council, Public Utilities Commission, and as Chairman of the Industrial Commission. He is presently a member of the Board of Directors of Junior Achievement of Canada.

Mr. Scofield has travelled widely in Canada, visiting and speaking to Boards and Chambers and other organizations, and is well known throughout the business community.

W. J. McNALLY

Manager, Policy Department,

The Canadian Chamber of Commerce

Education: Honours B.A., Loyola College (Pre-law course) Graduate, Executive Development Institute Graduate, Canadian Institute for Organization Management

Business: Supervisor, Material Handling and Production Control, D.I.L.

Employee Relations Supervisor, Nylon Division, C-I-L.

Advertising Manager, Nylon Division, C-I-L.

Manager, Policy Department, The Canadian Chamber of Commerce (present position). Duties entail staffing Health and Welfare Committee, Preparatory Policy Committee, National Policy Committee, Canada-United Committee, as well as Secretary of Executive Council and National Board of Directors, C.C.C.

Advisor to Employer Delegate at Six Annual Conferences, Geneva, of International Labour Organization.

Mr. McNally is a member of the Board of Management of the N.D.G. Branch Y.M.C.A., and member of the Advisory Board of the Convent of the Sacred Heart, both of Montreal. He is a Past President of the Loyola Alumni Association.

Mr. McNally is married and has two daughters and one son.

Curriculum Vitae

Lt. Gen. Frank J. Fleury, CBE, ED, CD

Born in Montreal on 30 June, 1914, Frank James Fleury attended elementary and high schools in that city and graduated in Arts from Loyola College in 1934. As an undergraduate, was active in the Loyola College Contingent, Canadian Officers' Training Corps (COTC)—holding successively the ranks of Private, Sergeant, 2nd Lieutenant and Lieutenant. After qualification and commissioning, served as Platoon Commander and Adjutant.

At Loyola, played on the intermediate Intercollegiate Football Team and was a member of the Debating Team which in 1933 won the championship of the Inter-University Debating League.

In 1934 joined his father, as planned, in the latter's florist business in Toronto and remained there until early 1937, when he returned to Montreal. There employed by the Retail Credit Company as an inspector and resigned in 1940 to go on active service with the Canadian Army.

During this latter period (1937-1940) was again associated with the Loyola COTC, as Instructor and Company Commander, on an evening and weekend basis. Promotion to the rank of Captain was gazetted in January 1940.

Capt. Fleury was appointed Adjutant, A40 Canadian Infantry Training Centre (Farnham, Que.) in August 1940, following a training course and short tour as Instructor at "C" Wing, Canadian Small Arms School (Connaught Ranges, Ottawa, Ont.). Proceeded overseas in October 1941 and was appointed Adjutant, 9th Brigade Wing, 3rd Canadian Infantry Divisional Reinforcement Unit (Crookham, Hants). In April 1942 was summoned to Canadian Military Headquarters (London, England) and appointed Staff Captain in the Branch of the Military Secretary.

Promotion followed in September 1942 to the rank of Major on appointment as Deputy Assistant Adjutant General. Remained on the staff of CMHQ until November 1943 when he proceeded to Italy and filled a new, equivalent position with the Canadian Section GHQ 1st Echelon, 15th Army Group. This formation was then commanded by General H. R. G. Alexander, later Field Marshal Earl Alexander of Tunis, Governor General of Canada.

Major Fleury was ordered back to CMHQ, London, in March 1944 to take up the position of Military Secretary in the rank of Lieut.-Colonel. Continued in this post until June 1945; meanwhile promotion to Colonel was approved in December 1944. Despite the title, the Military Secretary's functions in the Canadian Army Overseas were related to Officer Personnel Services—promotions, appointments, postings, etc. The comparable appointment in Canada was Director of Personnel Services, to which post Colonel Fleury succeeded in July 1945 when he returned to HQ Ottawa from overseas following V-E Day. Shortly thereafter, Colonel Fleury's responsibilities were extended to include personnel services and records of all Army personnel, not only Officers. And this reorganization resulted in the redesignation of his appointment as Director of Army Personnel.

In the summer of 1946 was selected to attend the first post-war course at the U.S. Command and General Staff College. Completed this course of studies at Fort Leavenworth, Kansas from August 1946 to July 1947 and graduated with distinction. Returned to Army Headquarters, Ottawa and was appointed Director of Organization early in September 1947. During 1948/9 was for some months acting Deputy Adjutant General, in addition to his duties as Director of Organization.

Left Ottawa for Winnipeg in July 1949 on appointment as Chief of Staff, Prairie Command. This HQ was responsible for all Army activities in Manitoba, Saskatchewan and Northwestern Ontario. Of special interest during this tour

were the development of Fort Churchill into a major Army base and the "Winnipeg Floods" of 1950.

Following the outbreak of hostilities in Korea and the decision of the Canadian Government to contribute to the United Nations Command, was promoted Brigadier and appointed to command the Canadian Military Mission, Far East. With a small staff, proceeded on short notice by air to Tokyo in September 1950. Initially Brig. Fleury operated out of temporary accommodation in the Canadian Embassy by courtesy of the Head of Mission (then Dr. Herbert Norman), to whom Fleury was additionally accredited as Military Adviser. "Permanent" quarters were soon established in an office building not far removed from General Douglas MacArthur's HQ United Nations Command.

As Commander, CMMFE, Brig. Fleury was primarily responsible for preparing for the arrival of Canadian troops in the Far East. But he was also given certain responsibilities related to the Navy and Air Force; and he reported to the Chairman, Chiefs of Staff Committee, Ottawa, as a natural consequence of this triservice or "integrated" appointment. Officially was also on the staff of HQ, United Nations Command. As the Canadian Army later built up its forces in Korea and Japan, Brig. Fleury assumed responsibility for certain base and L of C installations and personnel. In 1951 was requested for the further appointment of Chief of Staff, British Commonwealth Forces Korea, by its Commander-in-Chief (Lt. Gen. Sir Horace Robertson, an Australian) but this was not approved by the authorities in Canada.

In accordance with policy, Brig. Fleury's tour in the Far East ran twelve months and he returned to Canada to take on the appointment of Commander, Eastern Quebec Area, in September 1951. From HQ in Quebec City was responsible for Army activities in the area of Trois-Rivières to Gaspé until October 1956. Was particularly concerned with the development of Camp Valcartier and La Citadelle, the principal Regular Army installations in the Area, and with the many keen Militia units under command. Became actively involved in a variety of community activities and gained many friends with whom he continues to keep in touch. In 1956 was selected to attend the Imperial Defence College (London, England). With mixed feelings he and his family sailed from Quebec City in October; there was regret at leaving Quebec after five happy and fruitful years, but excitement in anticipation of some fourteen months ahead in the United Kingdom. The course at IDC was highly rewarding and ended in December 1957, when Fleury returned to Ottawa on appointment as Vice Quartermaster General at Army Headquarters. This branch concerned itself with procurement, distribution and control of supplies for the Army, with maintenance of equipment both warlike and otherwise, with engineering services, traffic and transportation, food and catering, real estate and buildings, research and development, postal services.

Remained in Ottawa as VQMG until October 1961 when he was promoted Major General and named General Officer Commanding, Quebec Command, with HQ in Montreal. The geographical limits of this command were, for all practical purposes, those of the Province of Quebec though the GOC had certain operational responsibilities outside the Province. Thus, the territory included the Army's Eastern Quebec Area, with which he was well acquainted from his previous five years in Quebec City as Area Commander.

In response to an invitation from the responsible Officers, was honoured to accept in October 1962 appointment as Colonel Commandant, Royal Canadian Ordnance Corps. In this capacity has periodically visited RCO units from Halifax to Vancouver and in Belgium, Germany and the Middle East. Continued to hold this appointment and to play a role in Corps affairs until January 1968, when he resigned.

During 1964/65 Maj. Gen. Fleury had much to do with implementation of the policy on integration of the Canadian Armed Forces, with particular reference to Quebec Command. In furtherance of decisions which stemmed from the Government's White Paper on National Defence (March 1964), the three Service Headquarters in Ottawa were abolished and Canadian Forces HQ was formed to control the Navy, Army and Air Force on an integrated basis. And in September 1965 was promoted Lieutenant-General and appointed Comptroller General, CFHQ. Remained in this post until July 1966 when approval was given to his request to be retired.

In November 1966 became associated with R. L. Crain Limited, Business Forms and Systems Service. Following a period of familiarization and training, he was named successively Manager Administration and Executive Assistant to the President. Appointed General Manager in July 1968. Elected to the Board of Directors, and appointed Vice-President and General Manager in March, 1970. He was invested by HM the King at Buckingham Palace in 1944 as a Member of the Most Excellent Order of the British Empire (MBE) and was admitted as an additional Companion of this Order (CBE) in 1952. Is an Officer Brother of the Most Venerable Order of St. John of Jerusalem; and was awarded the Canadian Efficiency Decoration and the Canadian Forces Decoration. Holds the Italy Star, Defence of Britain Medal, Korea Medal and United Nations Service Medal amongst other wartime and service awards. For service in the Far East, was granted the Legion of Merit (Degree of Officer) by the President of the United States in 1951. In 1968 was honoured by appointment to the Sovereign and Military Order of Malta.

Is a Governor of Loyola College, having resigned as Chairman of the Board of Governors on transfer from Montreal to Ottawa in September 1965. Has been active in support of the Canadian Corps of Commissionaires and served as Director and Vice-President of the Quebec Division. Was on the Board of the Greater Montreal Poppy Fund for four years and a founding member of the Executive of the English-speaking Union in Quebec City.

A life-long golfer, Lt. Gen. Fleury remains an active member of the Rivermead Golf Club, which he joined over 20 years ago on first posting to Ottawa, and of the Royal Ottawa Golf Club. Has also been an active member of the Royal Quebec Golf Club, Royal Wibleton Golf Club (U. K.), Fort Leavenworth Golf Club (U.S.) and the Koganei Golf and Country Club (Japan). Also enjoyed honorary membership at various times in the Kawana Country Club (Japan), RAC Country Club (U.K.), Royal Montreal Golf Club, Marlborough Golf and Country Club, Farnham Golf Club and Club de Golf St. Hyacinthe.

Is a member (and ex-President) of the Quebec Garrison Club, of the Rideau Club, of l'Association des Anciens Officiers du Régiment de Maison-neuve; and is an honorary Life Member of the Army Ottawa Officers' Mess.

Has been a regular or privileged member of other clubs such as the Mount Royal Club, Montreal United Services Club, Quebec Winter Club, East India and Sports Club (London).

Has been active for 3 years with the Canadian Chamber of Commerce, the Canadian Manufacturers' Association and the Ottawa Board of Trade; holds executive posts in each of these. And is an Executive Officer of the Priory in Canada of the Order of St. John.

Long interested in Philately, Postal and Military History, Lt. Gen. Fleury has found little time to devote to these hobbies in recent years but remains a member of the Postal History Society and Ottawa Philatelic Society.

Was married on 2 January, 1941 to Grace Rankin at St. Columbkille's Cathedral, Pembroke. They have two sons—"Jay" age 22 and Paul age 19.

June, 1970.

J. W. "Hap" Moreland

Member—Health & Welfare Committee

Director—Pension Fund Division/Planned Investments Corp.

Served—Flight Lieutenant R.C.A.F. 1940-1946—Pilot

Hobbies—Golf, boating.

Mr. Léon Mondoux, B.Sc., F.S.A., F.I.C.A., born in Ottawa, married, with six children. Mr. Mondoux obtained his B.Sc. from the University of Ottawa in 1946, and a Fellowship in the Society of Actuaries in 1957. He was connected with the North American Life (Toronto) in 1946-47, the Montreal Life from 1947 to 1956 and Alliance Mutuelle-Vie as an Actuary since 1956 and Vice-President since 1963. He is an Ex-President of the Actuaries Club of Montreal, a member of the executive Committee of the Canadian Health Insurance Association, a member of the Health and Welfare Committee of the Canadian Chamber of Commerce, Administrator and Treasurer of the Family Social Service Society and Commissioner of the Health Insurance Board of Quebec.

R. B. MacPherson

Member—Health and Welfare Committee, Canadian Chamber of Commerce

Education—M.B.A. Harvard—B.A. Queen's University

Author—"Foreign Trade" book

Occupation—Economist, Dupont of Canada

Family: Married with two children.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Ottawa, Thursday, June 18, 1970

The Special Senate Committee on Poverty met this day at 9.30 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Chairman: Honourable senators, this meeting concludes our sittings for this session. The timing has been good. We are likely to adjourn on the 25th. We have a program of summer visits. Mr. Askwith will be contacting all of you this week, or certainly by the early part of next week to make travel arrangements for the visits. When we get back in the fall we shall have eight or nine other bodies and organizations to hear, the Provinces of Quebec, Manitoba and British Columbia, the Canadian Labour Congress, the Canadian Jewish Congress, the Town Planning Institute, Canadian Manufacturers' Association and the Social Planning and Research Council of Hamilton, and maybe one or two more.

Before I go on any further, I want to express my appreciation, as chairman, of your devotion and dedication. This has been a very hard working committee. I think it will accomplish a great deal. The cause is a worthy one, and we have devoted ourselves to it. There is still much ahead of us but I am confident we will be able to make a valuable contribution.

I have a letter from the Minister of Indian Affairs and Northern Development. He says, "It was brought to our attention quite forcibly that there was a typographical or recording error inserted in the report of the Special Senate Committee on Poverty in Number 14, Tuesday, January 20, 1970." That is when the Department of Indian Affairs came before us.

The error is on page 99, subheading Cultural Development. Second paragraph, last line, last word. The word should be "noting" instead of "nothing".

This page was read out by a very disturbed delegate in the recent National Conference on Indian Culture held in Ottawa. The word "nothing" tended to deprecate Indian culture.

It was never the intention of the Cultural Development Division of the Department who prepared that portion of the submission.

This is the way it read:

A variety of forces have tended both directly and incidentally to downgrade the traditional cultures of Indian nations. Although old folkways and values were assailed by waves of European culture and technology, and many of Canada's Indian population still retain a definable culture, a strong sense of identity and self respect, some people of Indian ancestry have difficulty in sustaining this view of themselves. For many years, governments were not concerned with preserving or recognizing Indian culture and the fact that it has survived in any form is a fact worth nothing.

The word should be "noting".

People have taken the trouble of reading not only the evidence but the brief in total which is, of course, a great compliment. I wanted to clear up the matter.

We shall hear today the Canadian Chamber of Commerce. On my right is Mr. Roland K. Carty, Vice-Chairman of the Executive Council. He will introduce the delegation.

Mr. Roland K. Carty, Vice-Chairman of the Executive Council, Canadian Chairman of Commerce: Mr. Chairman and honourable senators, certainly we are very pleased to be invited to appear before you to submit the views of the Executive Council of The Canadian Chamber of Commerce on poverty.

The Executive Council is the governing body of the Canadian Chamber on a day-to-day basis. I am Roland K. Carty and I am Vice-Chairman of the Executive Council. With me today in our delegation is General Frank Fleury, Chairman of our Health and Welfare Committee and Messrs MacPherson, Mondoux, Moreland and Smith, Members of the committee. We have, also, Mr. C. H. Scofield, general manager of The Canadian Chamber of Commerce, and Mr. W. J. McNal-

ly, secretary of our Health and Welfare Committee.

I believe our brief can be effectively summed up by saying that in order to achieve social justice we must have a strong and improving economy, and that before we embark on further social welfare programmes we should pause and reflect as to where we are and where we should be going in this field. Certainly we are looking forward to studying the two important White Papers on Social Security and Unemployment Insurance.

Your committee has had our brief in advance and we are now in your hands. However, I would request that you direct any questions to General Fleury who will either answer them himself or refer them to another member of our delegation.

Mr. Chairman and Honourable Senators, we on the Canadian Chamber of Commerce side feel that all Canadians are together in the fight against poverty, and that with the proper cooperation between government, management, labour and education, and indeed the poor themselves, we will improve life for many Canadians. We are here today to try to make a contribution in that direction.

I would like now to ask General Fleury if he would generally comment on, and perhaps summarize, our brief before we answer questions.

Lieutenant General Frank J. Fleury, Chairman of Health and Welfare Committee, Canadian Chamber of Commerce: With your permission Mr. Chairman, I will not go over the brief, which is extensive and available. We did prepare a summary of the brief which is not too long, and if you will agree I would be quite prepared to hit the highlights in this summary.

As Mr. Carty has said, the submission is presented by the Executive Council of the Canadian Chamber of Commerce. As indicated on page 17 of the brief, this is a preliminary submission, and I would like to stress this, because of gaps in information in the social security field, particularly the White Paper on Social Security and the White Paper on Unemployment Insurance. The latter of course was tabled in the House of Commons yesterday, but I for one, have not seen it. I shall attempt, then, to give a capsule comment on the objectives of the presentation and the special point of view of the members of the Canadian Chamber of Commerce which, I might point, out is the national fed-

eration of over 800 autonomous boards of trade and chambers of commerce, plus 2,700 corporation members, and 29 national business and professional association members.

The next point that I should like to make has been italicized in our summary, and this is quite deliberate. The Chamber yields to no group, I submit, in its concern for the quality of life of all Canadians, and in its determination to discharge its social responsibility in addition to performing its immediate economic tasks. If this brief seems to address itself largely to the practical and economic aspects of the poverty problem in Canada, rather than to the humanitarian values, let it be noted that we speak for business and we make no apology for concentrating on features with which we are in daily contact and on which we should have experience and specialized knowledge, and which we are sincerely prepared to place at the service of our disadvantaged fellow citizens. As our policy statement indicates, we believe that sustainable social betterment depends on healthy, competitive enterprise, and economically strong Canadian enterprises.

The foregoing indicates, I trust, that the executive Council is concerned with Health and Welfare, or, to put it another way, with the welfare of Canadians and Canadian welfare. It is the Council's submission that "Growth alone may not cure poverty, but poverty will most certainly not be cured without buoyant, sustained growth. Distributed poverty may provide equality, but new wealth must be produced and distributed if poverty is to be eliminated."

To illustrate the Chamber's longstanding concern for disadvantaged citizens, its policies on social security and on the employment of special categories of workers are set out. These are from our annual policy statement, and appear on page 3 in the Senate submission.

Let us now look at the economic criteria for the amount and extent of health and social welfare. The criteria for the foregoing are need, which involves the definition of poverty, ability to provide social security payments, economic effects of increased social security expenditures on Canada's growth potential, shortfall of domestic funds for growth potential, and universality. These are covered on pages 6 to 16 of the brief.

Since the guaranteed annual income is now under consideration by the Canadian Government, it is examined in some depth in our brief.

The universal payment scheme, which is covered on page 17, and the negative income tax, on page 18, are discussed as well as the cost of the guaranteed annual income, on page 19. It is concluded that the cost would range from \$951 million to \$2,151 million. Professor Thur's study for the Chamber is also referred to.

Since over 90 per cent of the jobs in Canada are with private employers, and considering the fact that 60 per cent of the poor are employed, the submission expressed the view that the Canadian business community is one of the central and effective groups for dealing with the problem. This is covered on page 27 of our submission.

The submission also quotes the current President of the Canadian Chamber of Commerce as saying: "What is good for Canada is good for business."

Imaginative and innovative schemes to help the disadvantaged conducted by the Bank of Montreal and Bell Canada, to name but two, are cited as indicating what private enterprise employers have done and what they are prepared to do. The submission stated the Chamber membership is prepared to cooperate with government, labour, educational authorities and others, in placing the Chamber's and its members' expertise at the service of the poor so that the shackles of poverty can be struck down.

In conclusion, we feel that every individual in Canada should have an opportunity to attain a standard of living adequate for the health and wellbeing of himself and his family. The best guarantee of high and rising incomes for all Canadians is a high and rising level of economic activity. To this end, Government policies must create an economic environment which favours growth, in terms of proper monetary policy, reasonable fiscal policy, and realistic commercial policy. Such public policies, together with a sensible selective approach to social security, will give Canada a strong dynamic economy with high and rising productivity, and more than enough goods and services to go around.

This, Mr. Chairman, is a summary of our brief. One hates to start off by pointing to typographical errors which have crept into the brief, but there are some figures in our brief which require amendment. There is one figure, in particular, that is incorrect, and other figures which have been left off. The amendments are not extensive and possibly before we are questioned on incorrect or

omitted figures, we might, with your indulgence, make these corrections.

Mr. R. B. MacPherson, Member, Health and Welfare Committee, Canadian Chamber of Commerce: The first one is on page 24. This has to do with Professor Thur's submission. You will note the figure of \$500 million; that should be \$1,426 million.

I can explain how this came about. This \$500 million is what Professor Thur would recommend as an incentive to people who are receiving the guaranteed annual income. It does not apply unless you receive the guaranteed annual income. By itself it is quite meaningless. His minimal requirement is \$1,426 million.

On page 25, Table 5, I think it would clarify the situation if under the first three columns, under the year 1975, we indicate what these columns really mean. They apply to various growth rates of the Canadian economy. The first one should be 4 per cent. The next column should be 5½ per cent and the next column should be 7 per cent.

I should point out that Professor Thur was commissioned by the Chamber to undertake this study. I think it is not the policy of industry, to endorse the work of an academician, or take the responsibility for it. In view of his current position we felt that his work was so valuable that it might contribute to the Senate's deliberations.

The Chairman: We share that view with you. We have had his study before us almost at the time it was delivered to you. You may consider it as being carefully looked at by the staff.

Senator McGrand: I am very much interested in this brief. Evidently you are not convinced that the New Jersey experiment is an accurate representation of what a guaranteed income will do, and I agree with you that it is not adequate.

It you were assigned the task of relieving poverty in Canada at the present time, what methods would you use? Industrial growth is the long term answer to this problem of poverty, but I am referring to the present.

In New Zealand, which is a strictly agricultural country of 2½ million people, it has no mineral wealth, no oil resources, most of its good land is in the North Island, and it is half the world away from the natural market. Yet they have produced an economy and a political system in which slums are practically

unknown and there is very little poverty. When you consider their limited resources as compared with our gross natural resources, what would you do at the present time to use our resources to relieve poverty?

Mr. Fleury: This, of course, is a very basic and fair question, but it is also a very large question. If you are asking me personally, then I shall have to say that I did not come here in a personal capacity. I came here with my colleagues to represent the Canadian Chamber of Commerce and as such, I have no qualms whatever about this. I must support, and put to you gentlemen for your consideration, the views of the Chamber as contained in the brief. We have not discussed, as a council or a committee, an answer to your question.

Senator McGrand: My question has been answered. You said you have no particular policy.

Mr. Fleury: The only thing I can add to that is that we are certainly concerned about the long-term effects and we are disposed, naturally, to go for the long-term alleviation of poverty through sustained growth rather than, as we put it in our brief, what is in effect a distribution of poverty at the present time.

Senator McGrand: I agree with you that long-term industrial growth is the answer.

What I meant is: What would the Chamber think of a policy for the present to be built into the policy of the future?

Mr. MacPherson: Would you like to hear from an industrial economist? I would direct your attention again to page 25, to Table 5, and I can go into a bit of background on that.

If you look at the distribution of gross national product between 1959-60 and 1969 and, in fact, the first quarter of 1970, you will see a very startling thing, and that is that consumer expenditures have declined from about 66 per cent of gross national product to 60 per cent today. It is a little bit less in the first quarter, I believe. You will see that the consumer is obtaining relatively less. In absolute terms he is obtaining a little bit more. This is putting a real pressure on the consumer. When you put pressure on the consumer, who suffers? It is the poor.

This change in consumer expenditures means that a smaller share is received. The offset to that is increased Government expen-

ditures. If you are really considering poverty, I would direct your attention to the mounting level of Government expenditures as a percentage of gross national product.

During this interval, if I remember correctly—and this is a bit confusing because we now have two GNPs—Government expenditures in total have gone up from roughly 31 per cent to 36 per cent.

I have just come back from Japan, and if you want to see evidence of affluence look at our four pavilions at Expo 70—more than any other country. I think we can repeat this throughout the country. If you are considering poverty, I suggest that you take a very hard look at the distribution of gross national product between the consumer, the Government, and capital investment.

The Chairman: We are looking for some help. If there is anyone who feels inclined to say something in response to the senator's question we would be delighted to have his view. It does not have to be the Chamber's view. You are Canadian citizens and you are here.

Let me frame it a little differently. We have had, for the last 10 years, high economic activity in this country. It is as high as ever in our history. Yet the number, in real terms and in relative terms, of poor has increased. How do you explain that?

Mr. Fleury: I am not sure that our studies would indicate clearly, in relative terms, that the number of poor has increased. Surely, there is considerably less poverty today regardless of what standard you use, than there was years ago.

The Chairman: In 1967 the Economic Council gave us a figure. That figure, as far as our studies indicate, has not decreased but grown somewhat.

Mr. Fleury: In relative terms?

The Chairman: Yes.

Mr. MacPherson: I think if you look at the decade of the sixties you have to divide it into two periods. There is the great period of recovery from 1962 to 1966. With one exception, the economy has tended to level off since that time. If you trace Government policies from 1966, you realize there has been a deflationary program of growing intensity, and there is absolutely no doubt that unemployment today is serious. By my own calculations it is higher than the official figures.

Of course, when you get a figure of 5½ per cent unemployment for the country, and over 9 per cent in the Province of Quebec, you have poverty.

The Chairman: I was not thinking of the immediate crisis of inflation and unemployment. I was thinking of 1967, 1968 and 1969. We did not suffer as badly from unemployment in 1969 across the country. We were down to about 4 point something, were we not?

Mr. MacPherson: Yes. If you look at Quebec, and look Maritimes, it was a very serious problem in 1969, a year of relative prosperity.

The rate of growth in GNP, with the exception of one year, slowed down after 1966. The Government, even as early as that date, was fighting inflation.

Mr. W. J. McNally (Manager, Policy Department, Canadian Chamber of Commerce): Mr. Chairman, perhaps I can make a limited response to your question. As I understand it, you are asking why it is that with a high level of economic activity we still have, relatively speaking, a high level of poverty? Was that your question?

The Chairman: Yes.

Mr. McNally: On page 29 of our brief, paragraph 62, I think there is a limited response to your question.

We spent a fair amount of time in the Committee putting this brief together and we have had considerable conversation about this question of the lack of skill potential in our poor people. If we have a general comment to make about the amount and kind of the statistical information we have about our poor, it is that we think it is rather limited. We do not feel that the statistical information that is available to us enables us to make too precise suggestions. We suggest, first of all, there be more work and research done on who are the poor people, to give a profile on the poor people.

Galbraith says: "To the best of my knowledge there is no place in the world where a well-educated population is really poor." Sensitive, thoughtful and skilled manpower training will go a long way towards taking Canadians off the welfare rolls and providing those that are working, but are poor, with upgraded, well-paying employment. We speak for our membership in offering to co-operate with Government, labour, education, et cetera,

in placing our expertise at the service of the poor.

Mr. Léon Mondoux (Member, Health and Welfare Committee, Canadian Chamber of Commerce): As an actuary, Mr. Chairman, I am not supposed to get away from facts. I have the impression that technology and automation have increased so quickly that education has had difficulty catching up. This rejoins what Mr. McNally was saying, that the basic problem is really an educational one. I am taking advantage of the fact I may speak as a citizen.

The question was raised a few minutes ago as to what to do now about poverty. The inference was that it was a cyclical matter. At the moment it is really bad. I am certainly not authorized or qualified to speak about a guaranteed annual income, but I see that not only as an immediate measure but as a perpetual measure which could be used to cure cyclical or temporary poverty.

I would not go any further than that on the guaranteed annual income. This is partly philosophical. It is not actuarial. This is not the Chamber of Commerce; this is Mondoux speaking.

Mr. MacPherson: The Economic Council, said that if income data had been available in 1961 it would have been found that there were 150,000 farm families in low income brackets, and that the preliminary estimates for 1967 indicated that the number of all poor families, including farm families, has dropped to 840,000.

The Chairman: Yes, Mr. MacPherson, but that was adjusted for the cost of living and not for the standard of living. It makes a difference.

By the way, Mr. McNally, I cannot resist saying that Galbraith thinks we ought to have selective wage, price and profit controls, and we ought to have them immediately. Do you like that statement, as well as the one you have quoted.

Mr. McNally: I would have to reserve judgment on that.

Senator Pearson: Is there any particular line, of work that is phasing out now or that is disappearing because of the change in our technological advance? Is there any particular job that people should be trained for?

Mr. Mondoux: I will answer that partly. I work for an insurance company and I am also

a Member of the Quebec Health Board. You should see the difficulty we have in getting good programmers and good systems analysts? The price is going up. There is inflation there, and a terrific inflationary pressure. We have full employment in those sectors where people are well educated to the point where it is overflowing.

The Quebec Health Board has been trying for a year to get a systems analyst. We are willing to pay the price. Money is not the problem; it is the scarcity of people. We just cannot find them. They are happy where they are, and they have a bright future where they are.

Senator Pearson: This, of course, will not affect the poverty stricken people. They do not come into that class.

Mr. Mondoux: No. That is what I say. Education, especially in Quebec, is picking up so fast that we may find ourselves with much less poverty of that type in another five or ten years.

The Chairman: Mr. MacPherson, you spoke about the Government expenditures, and you have a point, of course.

Mr. MacPherson: I think it is worthwhile considering.

The Chairman: I have a document here from the Department of National Health and Welfare. We asked for it some time ago. It was not for this occasion, but they appeared before us a month or so ago. This document shows government expenditures on social security as a percentage of the Gross National Product for selected countries for the fiscal years 1961 to 1967 inclusive. For Canada it reads:

Year	Percentage
1961-62	9.6
1962-63	9.5
1963-64	9.1
1964-65	9.2
1965-66	8.8
1966-67	9.1

I am not sure what it was for 1968.

Now, Britain is, of course, higher than we are. The Americans are somewhat lower. They stay in the 7.0 to 7.8 per cent bracket. I am not talking about Australia or New Zealand, because they are not quite comparable. The figure I gave you is not out of line, is it?

Mr. MacPherson: That would require a quantitative answer which I am not prepared to give. I think that the Chamber has taken the position that this is something we want to come back to after we have seen the deliberations on the White Paper. I am, merely as an economist, looking at GNP as a whole. I am very disturbed about the low level of capital investment which is a major contribution to our current difficulties.

If I may take the liberty of answering this gentleman's question, we are, as this committee knows, rapidly decreasing the number of employees in our agricultural sector. The food producing industries are showing a very disappointing rate of increase in employment. In fact, it is so small that it is alarming.

The Chairman: This year, do you mean?

Mr. MacPherson: I am talking about the decade. We not only had to provide jobs for people coming out of agriculture but we had the fastest growing labour force in the world among industrial countries, and we had to provide jobs for this group. They are going into services. We think a well balanced economy would have more going into the goods producing, particularly manufacturing. Here is where the great employment opportunities exist. Our manufacturing industry employment rate is growing at a much slower pace than that of manufacturing throughout the world. I think this is something that merits the closest investigation.

Mr. Carty: Mr. Chairman, Mr. MacPherson is commenting on Government expenditure in total, and I do not think he is commenting on whether there is too much in the welfare area. I think he was concerned about the 36-37 per cent.

If I might perhaps sum up my views, and maybe the Chamber's views, we feel that there are really regional problems in Canada which emphasize our poverty problem. The question of mobility of labour, we think, is important. Mobility will probably only come through the education or training of people. In other words, people who are not educated and who are not trained are nervous about moving from their home environment. We will never remove poverty if people are left in places from where it cannot be removed. I think mobility of our people is going to be a must, and we have to find a way of making it easy for them to move. It is easy to just say "Move", but that is not the answer. Training, retraining, and education, are necessary and

do not necessarily mean a university classical education, but education to do things. Unskilled jobs are decreasing very fast, and the skilled ones are increasing. The people without skills are going to be in a real problem.

Another thing—and perhaps Mr. MacPherson has commented on this—is that the only way to use our trained people and move our people into trained jobs is to have enough capital spending so that Canada, as a nation, can compete and produce. There is no sense having people trained to run the machines or computers or anything else if there is not the money being spent to put those machines and factories in place. We must also be able to do the same for agriculture.

I think, in general, our feeling is that training, education, retraining, mobility of people, is both a short and a long term, maybe the best, answer to the poverty question in Canada.

The Chairman: I am going to give the members of the Committee an opportunity to ask questions. I will come back and discuss this with you in a few minutes.

Senator McGrand: What are you going to do to put money in the pockets of people who need it? We are talking about welfare schemes. What would you do at the present time—increase the family allowance, increase old age pensions, have a guaranteed income, or a negative income tax? What would be your suggestion as the best temporary means of relieving poverty as of the present time? That is what I had in mind.

Mr. Fleury: I do not think that we have an answer to that, senator, because we feel very strongly that if any expenditure were made for a temporary and current alleviation of poverty, which may result in greater poverty and more poverty in the long term it is not in the country's interest.

Senator Quart: One of my questions has been answered. I read your brief. I am very interested in it, because I have known some of the witnesses for years.

You express a concern that if any group is assured a substantial welfare assistance without working for it, a much larger proportion of the population, whose efforts must support those on welfare, will eventually lose their incentive to work.

Mr. Fleury: The suggestion has been made, and I think it has validity. We do not suggest it is like the laws of the Medes and Persians.

If you tax people so highly that there is nothing in it for them, you take away their incentive. If, for instance, a man finds that by working hard 40 hours a week for 50 weeks a year he ends up with a net income of only a few hundred dollars a year more than somebody who does not work at all, where is the incentive to work? This is a question rather than a statement in our brief.

Senator Inman: I have read this brief, and found a lot in it to think about.

I would like to ask Mr. Carty a question referring to training and retraining programs. Do you feel the university education is perhaps stressed too much at present? I am thinking of a man who was before us in Vancouver. He was a plumber in his late forties who had served his apprenticeship and was an excellent plumber. He could not get a job because he had never gone beyond Grade 6. I think one of our senators once said that you did not need a university education to run an elevator.

Mr. Carty: This is right. There has been stress laid on a university degree, senior matriculation, and so forth, as something you should have. If you do not have it, socially you are looked down. I believe that in training for some trades—plumbing, electrical, and so forth—a basic amount of education of the theoretical type is required. Certainly, even just to enjoy our way of life, we need a basic amount of education. I do not know whether you should attain Grade 8 or Grade 9 before beginning to qualify for a trade. I want to be careful not to be too critical of a subject I am not strong on. There have been some barriers raised against people entering the trades by various means, and I think they should be careful.

The Chairman: Speak openly here. We know what you are saying. Say it. It has been said before.

Mr. Carty: I think there are many labour problems. They say you cannot come in, and so forth. The country has to find a way to allow people to get into a trade or skilled job. If a group says we are only going to let a hundred in, they are doing this to control the intake. I think this is a problem. The rest of us will have to have handouts. Somehow we have to find a way in which to get our people educated in a very broad sense.

Mr. McNally: Mr. Chairman, may I just supplement what Mr. Carty has said? Of course, I agree completely. I would suggest that there are two ways of looking at this education problem: one is from the point of view of the economy as a whole; the other is from the point of view of the individual.

From the point of view of the individual, we would all agree that he should be trained or educated to the limit of his capacity so that he will have a quality of life as well as a quantity of life.

In respect to the economy as a whole, the report of the Senate Committee on Manpower laid great stress on training our people to the highest possible skill level, as well as on the quality of life. In that respect, as we say in our brief, the innovative programme of the Bank of Montreal—a very imaginative programme which you have read about—is a breakthrough in taking disadvantaged people, particularly chosen because they had a bad employment record, and bringing them into the bank. This is a social gesture on the part of the Bank. Also, we discussed in our brief what Bell Telephone has done with hardened criminals. Recently, in Montreal there was a graduation ceremony at St. Vincent de Paul Penitentiary at which eight male prisoners were given diplomas because they had passed a course in a complicated electronic system which was given to them by supervisors of Bell Telephone in their own time. We think this is rather interesting.

Mr. Mondoux: Mr. Chairman, I was quite interested in the problem raised of over-education being required for certain positions. When they revamped the whole system in the Province of Quebec, they seem to have neglected the fact that a university degree was a status symbol. Every father wanted his son to have a university degree, with the result that everyone is heading towards university now. This will create an overdemand. Universities will have to be severe in their admissions. Then I, as a father, will lose the privilege of having my son repeat a year because he failed the first year. I have the privilege to make I don't know how many men work on a Cadillac, but I cannot have the privilege of keeping my son in the same class for two years. Again this is philosophical and has nothing to do with the Chamber's policy, but you just sparked me, Senator Inman.

The Chairman: We hope to spark more of you before we are through.

Senator Fergusson: Like my colleagues who have spoken, I found the brief extremely interesting and I wish I had had a little more time to read Professor Thur's reply on the social policy for Canada, because I am extremely interested in Canadian welfare policy. I find interesting the presentations that the Chamber makes from time to time to Government. I read them every time they come out, and I appreciate getting copies.

One of the things I had in mind to ask you about was on page 3, where you set out some of the views that have been adopted by The Chamber of Commerce. Under 128 you say:

... Most Canadians can, and wish to, provide for their own security.

I am quite willing to accept that they "wish to provide for their own security", but I am not entirely convinced that they "can." Do you not think there are things that prevent a great many Canadians from providing their own security, such as low wages? I cannot accept the "can".

Mr. Fleury: We do say "most Canadians".

Senator Fergusson: Yes, but I do not agree with that either. What would you say that would be, about 75 per cent?

Mr. Fleury: Certainly over 50 per cent. If we accept one of the current guides on the poverty or near-poverty level, I do not think any figure is above 30 per cent.

The Chairman: 20 per cent of the total of 4 million.

Mr. Fleury: So the balance must be in a position to provide for their own security through a variety of devices, obviously, not excluding insurance, demo grants, and so on.

Mr. Carty: I think there is a feeling that there are many people who could, if they wanted to, but perhaps just do not want to. Obviously, there are some who cannot, some who need help, and so forth. I think there are many listed below the poverty level who could get up and do something and find work. Take four members of a family that starts out below the poverty level. Two will rise above it and two will remain below it. In many cases all four could.

Senator Fergusson: I do not know how you can say "the whole four could". Perhaps there was something that prevented the other two rising above it.

Mr. Fleury: You mean a social disability or a physical disability?

Senator Fergusson: They may not have been fortunate enough to have the opportunities that the other two had. I do not think you can just compare the members of a family.

Mr. Carty: This is right, but I think the point we are speaking to—that we feel most Canadians can—is correct. Obviously there is this question of what is “most”, and there is much room for work to be done.

Senator Quart: Mr. Carty or General Fleury, also would you not agree that some of this is caused by the employer exacting too many qualifications for an ordinary job? Some employers almost expect a man to have a Ph.D. to run an elevator or to cut grass. Would you think along these lines?

Mr. Fleury: There certainly have been instances of that, Senator Quart. I can not help but recount a little personal experience. Many in this room have lived through the depression. In 1937 I was associated with the company that solemnly advertised in the *Montreal Star* for a “mail clerk, B.A. required.”

Now, you say this is absolutely foolish. Let us recall the circumstances of 1937. There were probably 100,000 people in Montreal who would have been glad to get a job as a mail clerk at \$10 or \$15 a week, or whatever the going rate was in those days. This was a device on the part of the employer to screen possibly thousands of applicants down to a few. We needed a mail clerk with a B.A. like we needed a hole in the head, to be perfectly honest with you, but the old law of supply and demand enters into that too.

I know that some employers have gone overboard in seeking, for instance, for senior executive and planning positions, those with a Master of Business Administration degree. This is the ‘in’ thing, to have MBAs coming out of your ears. I suspect, as an individual, that the bloom on that particular rose is starting to wear off.

We are all the victims of our own environment, our own circumstances and our own education. We all realized some years ago that executive positions in business generally should be upgraded over the long-term, from an educational point of view. Universities, notably Harvard in the States and Western Ontario in Canada, started to produce this new product, the Master of Business Administration, and the first thing you know, every-

body wanted to have an MBA. Certainly I would not suggest for one minute that employers have been universally without guilt in this field. Sometimes there are reasons for it. It is a little more than just keeping up with the Joneses.

Senator Fergusson: The mail clerk is the best explanation I have heard as to why you use this device.

I would like to refer to page 3, to item 131, in which you refer to “overlapping programmes” and say you think these should be “resolutely pruned”. Would you give us some examples of those that you consider do overlap? We were under the impression there were gaps.

Mr. Fleury: Well, Senator, I would not like to lay too much stress on this particular statement of policy. It was adopted by The Chamber many years ago. It may be that today it has less validity than when it was first adopted. I think we were looking at the principle rather than individual cases.

It so happens that we had before us recently—and we are in the process of making representations on it—one almost classic example, and that is the overlapping between the disability provisions of the Canada Pension Plan and the provisions of the Workmen's Compensation Act. We do not suggest that there are not gaps—God forbid. There are gaps. This does not mean to say that in trying to fill these gaps we should not pay attention to overlapping. Certainly, we should never put ourselves in a position, either as employers or as individuals, where two benefits for the same disability can be obtained and an individual can end up making more money not working than working.

Senator Fergusson: Of course, this problem exists at the present time in some cases. People can get more money accepting welfare rather than taking a low paying job.

Senator Pearson: Just to follow along the same line as Senator Fergusson, could these programmes be combined to cut down the overhead?

Mr. Fleury: This is a vast field. As we pointed out in our brief, according to the Government's figures, produced by the Department of Welfare, there are some 200 federal welfare programmes. I must confess that we are not competent to examine each of these 200 welfare programmes and see in detail whether there is overlapping amongst them, to say

nothing of any possible overlap between them and provincial programmes and municipal programmes. One would have to suspect that since the programme—if one can call it a programme—has been produced piecemeal over a period of many years, there has been some lack of coordination.

Senator Pearson: Would it not be worthwhile for the Chamber to make a study of the problem that exists in the country? It is a very serious problem, as far as I am concerned.

Mr. Fleury: I would not want to say "Yes" on behalf of the Chamber, because I suspect it is a mammoth undertaking. Our staff resources are really quite limited. We have done work in this field, but I think the results today certainly indicate that a great deal more work should be done. However, I am not sure that The Chamber is the body to take it on.

Mr. Carty: I think our feelings would be, as we have said in various places, that this is perhaps a job the Government itself could do better. They have the resources to make a report. The Chamber just does not have the monetary backing or resources to do that kind of work in total.

Senator Pearson: On page 4, paragraph 99, you say "...the older worker group represents a reservoir of skill and experience that the country can ill-afford to waste." Is there any reason why an older worker should be retired at age 65? Do all businesses feel that their employees have to retire at 65, or that they are forced to retire them at 65?

Mr. Fleury: I do not know if I am qualified to speak for all businesses, Senator, but I can give you some background. The question of a set retirement age, be it 65 or some other age, seems to be based on two general principles. The first is that if older people do not retire it blocks promotion of younger people. I think that is self-evident. Secondly, like a lot of other policies adopted not only by business but by government, it is very difficult for any employer, business or government, to sit in judgment and say that "A" should be retained beyond 65 but "B" should not be. These are judgment calls which are not always easy to make.

You may say in Department "X" in the Government or Company "Y" on Civvy Street that you want to keep Bill Smith on beyond age 65 in the interests of the company, but is it really in the interests of the company? It

may be in the interests of Bill Smith, but it may not be in the interests of the company. These are difficult decisions to make. Obviously, individuals vary. One man at 65 is a very old man and maybe at 60 he should have been retired. We know of cases, and I have cases in my own company, of people over 70 who are just as vigorous as some people 20 or 30 years younger.

I think most employers feel that it is difficult to make distinctions; therefore, it is easier to try to stick to a policy. Secondly, young people coming in, and seeing the top jobs continuing to be held by older people, do not usually stay with you very long.

Mr. Carty: I think also, Senator, generally with regard to companies having this policy, it is usually tied into a pension scheme. A person at age 65, with perhaps three pension schemes—the private pension scheme of the company, the Canada Pension Plan or the Quebec Pension Plan, and the Old Age Security Plan—is not going to create a poverty problem in relationship to the existing poverty levels. A married couple at 65, both drawing the old age pension—and in a few short years they will be drawing the maximum of the Canada Pension Plan—with a pension scheme of any reasonable amount, there is a \$4,000 to \$5,000 total package. With retirement at age 65, this is going to be of real assistance in fighting poverty because they are usually geared to retire people at 65. They have a plan, and it is geared to it.

Senator Pearson: On page 7 of your brief, you talk about an average income in Canada of \$2,250 per annum as compared to \$1,700 in Germany and, again, in Japan of \$1,100. Have you any figures of the cost of living in those three countries.

Mr. MacPherson: Senator Pearson, I could only comment on that quantitatively. Having been both Germany within the past year and in Japan within the past few weeks and being very interested in such questions as that, I really threw up my hands. In Japan food and rent may be relatively cheap, but the accommodations, of course, are just atrocious. It is really very, very difficult to say what real income is. We do look at this in terms of competition with Canadian industry and if we are in competition with a Japanese product the price in Canada is determined on this particular figure, regardless of whether living standards are higher or lower than in Canada. This seems to be somewhat of

limiting factor in an open economy, although for the moment I know the living standard in Canada is substantially higher than in Japan. For instance, in Japan today there is one car for 33 people. In Canada we are down to one car between 2 or 3 people. Our housing is much better. Our food is probably about the same, depending upon taste. Their mass transportation is much better.

Senator Pearson: Is the housing situation there any different from that in the centre of our big cities where you get the slum areas and that sort of thing.

Mr. MacPherson: Yes it is. It is the higher price of the land. In a suburban community the price of land is \$300 per square metre. Even middle class families who have inherited a lot of, say, 100 feet by 100 feet have now sub-divided their backyard, and there are little two storey narrow houses on it. The Japanese themselves will tell you that this is very unsatisfactory, but with their great increase in productivity averaging 9 per cent per year, which everybody expects to continue, Japanese living standards will exceed ours some time during the eighties.

Senator Pearson: You mean these old places will be torn down?

Mr. MacPherson: Yes. They are being torn down and high rise housing units are going up. They call them 'mansions', which I think is a Japanese word for apartment.

Senator Fournier: Mr. Chairman, the question I was going to ask related mostly to education and I see it has been pretty well covered.

I appreciate this brief very much, although I receive it with a bit of disappointment. I think the brief expresses views, rather than bringing solutions to the poverty committee today. The brief contains the views of the Canadian Chamber of Commerce, and the discussion seems to be rather limited at times.

I have one question to ask related to the poor, the problem which this Committee is facing—and this was touched previously—concerns education and the standard required for employment. I quite agree that in order to become a full-fledged and above average electrician or plumber you need Grade 12. But, there is a certain class I would label as helper which, due to education and ability, will never reach that standard. We are living through the 1970's and through no fault of anyone—you cannot pinpoint any individ-

ual—there are great numbers of poor people. They are poor because they lack education, and ability although possibly they would have the ability if they had the education. Our old system only provided for Grades 4, 5 or 6. They are in their forties and some are in their fifties. They are married, and have built a little home. They manage to live very miserably, but they are taxpayers and Canadian people, and we have very little to offer them. We have a great number. I think if you look around the country this is where you will find the poor people today. What can we do with these people?

I am not critical of Manpower or anyone; everyone is trying to do their best. It is impossible to think we are going to upgrade a man with Grade 5, 6 or 7 to Grade 12 in one year. Most of these people are taking advantage of these upgrading schools but are mostly going there not with the intention of improving their education, but because they get a salary while they are attending school. There is a great number of those. Nevertheless, they are Canadian taxpayers and, part of our society. What can we do with these people? Have you anything to recommend? They seem to be the lost group like the Métis. They do not fit anywhere.

Mr. Carly: I think that we would be foolish to say that we can bring these people back. You cannot start with a person who has been away from school for so long a time, and who has not had much education.

I think our feeling would be that we should try to ensure that the children of these people do not get left in a position of moving along the same way, because in many parts of our country, and in your own province, Senator, there are areas where we are just going on with this same thing. The children are there and they go to school for one or two years, and that is it, and they are through. Somewhere we have to find a way to ensure that we do not continue this problem, and having in 30 years the same group uneducated, and still having to ask "What can we do?". We are in the welfare area and I think we have to be careful with this. If you have just a general wage, or a negative income tax, everybody has so many dollars. When you are 9, 10 or 11 you would rather go fishing and run around in your bare feet than go to school. Somehow in our system, while we protect the people who cannot be changed and give them enough on which to live, we have to ensure, as part of the payment for

this, that their children are educated and trained, so that we just do not keep going with the same group.

You cannot expect a person of 45 who has never lived out of a community, and who has no education, to move, but we must not allow his children to be in the same position in 40 year's time. I think we may have to take what in America they call their "hard core black problem" and accept them, and give them enough. But we have to make sure that their children do not fall in the same category. We must be in a position to take care of it. This has to be a part of any change, and I do not think that just making sure that everyone in the country gets \$3,000 a year is going to do that.

Mr. Mondoux: We were all silent and all of a sudden we are all ready to speak on that. I agree with your comments, senator. You were kind enough to say that it was an extremely difficult problem. I think basically we are facing a mentality problem in North America. What happens is that we all want the people to be well cared for, but when we are taxed we go to our employers and say, "My purchasing power has gone down." I think this is part of an inflationary problem. Deep inside of us we do not want to give anything up, but we do not want any poor.

In the Oriental countries the mentality is different. They accept the fact that they have to give. They are more group or population-minded than we are. In North America we work to save our souls. This is sticking. We have that on our backs and we cannot change our whole mentality in 10 years. We are not in Europe; we are in North America. The man who wants to help the poor does not want to pay for it.

Mr. McNally: Following along with what the Chairman and Mr. Mondoux have said, and speaking partly personally, I think probably the saddest child in Canada would be the child of a father who has lost his dignity, and who is locked into poverty. That child is going to be that way for the rest of its life.

The senator plainly asked, "What can we do?" I think the basic thing is to try to get those families who are locked into poverty back to some basic human dignity so that the father of the family, particularly, can be looked up to by his children, and get out of the situation into which he was placed by his generation.

In the brief that we submitted to the Royal Commission on Health Services before Mr. Justice Hall, we provided some figures which indicated that in various parts of Canada 5 per cent of the people on welfare were consuming 75 per cent of the welfare funds. In other words, that 5 per cent was using up all the welfare funds. As Mr. Carty said, we must make it possible for these particular people to be given intensive care.

I was very interested to read in the *Gazette* yesterday a Canadian Press story, quoting an official in the Department of Manpower and Immigration, that for every \$1 of Government expenditure on counselling, training, and retraining, \$3 comes back in terms of national income. I do not think the Chairman would like to give the impression that we are against Government expenditure. We are for sensible Government expenditures. We think that money spent for training, retraining, and education is productive expenditure.

Mr. C. H. Scofield, General Manager, Canadian Chamber of Commerce: I have been sitting here, and a few thoughts occurred to me as the discussion went along. I was interested in the comment that perhaps the Chamber's presentation today does not seem to give any solutions. I think we are conscious of this because we realize, with you, the immensity and complexity of the problem.

We might have said that we will wait until we have seen the White Paper on Social Security, or until we have studied the White Paper on Unemployment Insurance. We are here today because we are dedicated to the problem, and are trying to make a contribution that will help this committee. I think we said earlier this morning that we look upon this as a preliminary presentation. You might like to talk to us again. We might like to talk to you and make some suggestions, and perhaps as things develop more concrete and helpful thoughts might come along.

If you accept the philosophy that sound economic growth is the way to get at the problem, then it seems to me—and we made this point before the House committee on taxation last week—that economic growth is the most important way to raise the standard of living of the people of the country. We heard reference this morning by Mr. MacPherson to Japan. This suggests that if we are going to rate as a country, and if our standard of living is going to increase, we have to be competitive. But, we are competing with countries which accept a lower standard of

living and do not call it poverty, which have lower wage rates and sell their products at lower costs. This all gets back to the comment made by a provincial premier back in 1966 when speaking to a Chamber of Commerce organization, that we are placing too much emphasis on, and talking too much about, the cost of living index. Maybe one of the things we should be thinking more about in order to solve our problem, and to raise the standard of living, is the productivity index. I really believe that this is one of the points we should be giving more consideration to, our productivity index, to enable us to attain the economic growth that is going to provide a higher standard of living for all Canadians.

Senator Fournier: You mentioned productivity. In our Canadian product are we putting quality today? Would you give an opinion on that? You are all manufacturers. I refer to our car industry, which I am more familiar with than anything else.

Mr. MacPherson: I would love to answer this one because we have a most unique phenomenon in Canada today. According to the most recent figures I have seen, Canadian car production for the six or seven months of the model year is higher than the comparable level of the preceding year, despite the fact that the demand is down in both Canada and the United States. We have a most unusual phenomenon of demand being down in the United States, and the American plant bearing more of the burden than the Canadian plant. There are two factors to that. One is the character of the car. We make the smaller car, but certainly our quality of car is comparable to that coming out of the American factory.

Senator Fournier: I was not referring to the American factory. I was referring to the Italian, French and Japanese cars—the quality of these cars compared to the quality of the small cars we manufacture in Canada. I am not talking about the appearance and paint surface. I am talking about looking under the hood.

Mr. Carty: I do not think there is anyone here who is capable of answering on automobiles alone, but as an industrialist whose company has a company in Switzerland, one in Italy, three in the United States and a number in Canada, I think I can say that we are making as good quality in Canada as anywhere else. Our exports, quality-wise, are accepted, and so forth. This problem of what

is termed the American car versus the foreign car is something I do not think I want to get into. There is no question that we can make an article of as good quality as anyone else.

Senator Pearson: I would like to ask a question. You say that productivity is the answer in this country. In Western Canada we have too much productivity. What happens to a manufacturer who gets in the same position. You may have productivity, but unless you get sales, you are out of luck.

Mr. Carty: I think there are differences between agricultural productivity and manufacturing productivity. Our impression would be that if we can get our manufacturing productivity up we would be able to compete with foreign people in Canada. If it is going to take us two hours to make something that somebody else makes in an hour and a half, then we are in trouble.

Senator Pearson: We have the same problem in agriculture. We have a surplus of productivity, and yet we have imports of agricultural products in this country.

Mr. McNally: Mr. Chairman, as an easterner, but perhaps as a member of the national association, I deal with some wariness this question of wheat marketing, but I think there is a valid comment that might be made. Our people are just back from the far east, as General Fleury said, and one question that came up was that in Australia they are spending about \$25 million on marketing their agricultural products. New Zealand, with a population of 2.5 million, is spending about \$12 million for professional marketing purposes. In the United States they are spending about half a billion dollars for their marketing service. This is both governmental and private spending. Canada is spending the magnificent sum of \$1 million in trying to move our wheat. This, Senator Pearson, just does not make any sense to us. If any business were to spend that kind of money on a marketing program they would go down the drain so fast, it wouldn't even be funny.

The Chairman: Are you saying that in effect very much more could be done with the wheat if we did some better marketing?

Mr. McNally: I am coming back to the proposition, Mr. Chairman, that we are not opposed to sensible Government expenditures, but we like the Government expenditures to be efficient and placed in the right direction and we would think perhaps—and I can

speak only personally—that the budget for marketing wheat is entirely too low.

Senator Pearson: That satisfies me.

Senator Inman: On the top of page 8 you say:

In more normal times, the people suffering from life-cycle or contingency poverty may be perfectly capable of meeting their own needs. In fact, during normal periods, some undoubtedly have enjoyed an above-average income. Their need is clearly for insurance.

Would you comment on that? What sort of insurance do you mean?

Mr. MacPherson: I will tell you what I was thinking about. I think I was thinking about such things as the unemployment insurance that was announced in this morning's paper. I am very interested in this disability feature. I think we can do a great deal in this area. I am also thinking of areas in which we have done a great deal, such as health insurance and medicare. Even as recently as a decade ago a middle-class or upper-middle-class person who had a heart attack or cancer ended up impoverished. We recognize this kind of poverty and we think it should be taken care of by insurance in one form or another; or, at least, this is what we were trying to say.

The Chairman: Senator Inman, in effect the sentence says, "Those normally unable to work, on the other hand, are candidates for social security."

I saw that and gathered something else from it which was very complimentary to you. I gathered that what you were saying was that, without question, the disadvantaged, the blind, crippled, maimed and others who are not in the labour force, are entitled to have a maintenance programme.

Mr. Fleury: No doubt.

The Chairman: That is what I thought you were saying.

Mr. Fleury: And this is not only contained in the brief, but this is also the policy of The Canadian Chamber and has been for many years in our annual submissions to Government. Indeed, we have touched on it in some of the quotations in our annual policy statement. We recognize, without question, that there are some people unable to work, and it is society's obligation to look after them.

The Chairman: We have approximately 4 million people below what the Economic Council said was the poverty line. Let us not argue about it for the moment. Among those disadvantaged I included the old, too, and another group, about 160,000 female heads of families, and 315,000 children, so there are half-a-million people there. It has always been our feeling here in the Committee that it is her choice whether she goes to work or stays at home with the children. It is not for us to tell her that she must go to work. We feel she is perhaps better off at home. Such situations account for 40 to 45 per cent—I may be out a little—of our poverty problem. I gather from you that you think it would be a good idea for the country to provide maintenance for them, and opportunities to earn money if they are capable of earning it.

Mr. Fleury: I heard a comment from afar that suggested I might be led into a trap.

The Chairman: No. I have another part to the problem to put to you. I am dividing the problem for you.

Mr. Fleury: You are talking of a group of people who are unable to work because of social conditions, physical disabilities, mental disabilities and so on. We say quite clearly that these are candidates for social security and that they must be looked after by the rest of us.

Mr. McNally: As they are now, Mr. Chairman.

Mr. Fleury: We are saying, also, Mr. Chairman, and I would like to underline this point, that our total social security programme amounts to \$8.7 billion and that some of this money is now going to unproductive or unnecessary purposes. This brings us into the question of demograts.

The Chairman: We will come to that shortly. I do not know anyone in Parliament who thinks that the Canadian dream can come without taxation. We agree on that. It is not tax-free under any circumstances.

Mr. McNally: Excuse me, Mr. Chairman. Mr. MacPherson does not agree. Would you like to comment?

Mr. MacPherson: I want to present an abstract idea and I probably can only do it if you sympathize with me a little bit. I felt that Senator Pearson has not been answered very well.

Canada's income, real income, depends upon productivity, what we produce, and our productivity as a country is about 2 per cent per year. Now wheat has been much higher recently. This rate of productivity is the lowest of all industrial nations of the world. The United States is 3 plus. When you get into Germany you get 4. The U.K. possibly may be less than ours. Japan is 9. Holland, a small country, is 11. I am talking not precisely, but this is very close in real terms.

Now, if we could get productivity up to 4 per cent and we are going to have an increase in our labour force of 3 per cent, that means that this country would grow at 7 per cent per year in real terms. That means that the size of the country would double every decade. This makes such a fantastic change within a decade that it is hard to visualize.

Our thesis is certainly that we have to have Government expenditures, but we are advocating a balanced view. It would be almost economic suicide if today we allowed our sympathies to go beyond the point that would not provide employment for these 250-260,000 people who were entering the labour force every year. If we go too far beyond that—as much as we want to and, God knows, I am a Maritimer and know what poverty is—in the long run all we do is create a situation in which most of us are poor. If we keep this vision before us, as I think I mentioned in this report, if we could grow at 7 per cent, which is very modest in terms of our technology today, by the year 2000 we would have the same Gross National Product, in real terms, as the United States had in 1963.

If we cannot solve Senator Pearson's problem tomorrow, we can do an awful lot towards solving it during the next decade if we have a balanced programme, certainly looking after the needy today but making sure that we are expanding industry sufficiently so that those people coming into the labour force can be employed productively.

The Chairman: Mr. MacPherson, when you took the 2 per cent you took the all-time low.

Mr. MacPherson: This is the average for the decade in the sixties.

The Chairman: I thought it was 5 per cent. Our forecast for the immediate next five years is 5 per cent.

Mr. MacPherson: I am talking in real terms.

The Chairman: Are you talking of the others in real terms?

Mr. MacPherson: I am talking of the others in real terms.

The Chairman: When you talk about making provision for the poor, the old people who are receiving about \$25 or \$30 a week—that is what they are getting at the present time—is there any suggestion or justification for saying that they can get along on that sum of money?

Mr. MacPherson: Again, this is a question that, speaking as an economist, I am not qualified to answer. Other members have their opinion on this. What we are waiting for is a report of these very competent people in Ottawa who are working in this area.

The point I am stressing is that it has to be balanced; we have to get productivity in this country up; and we have to provide jobs for this expanding labour force. Right now, with the youngsters coming out of college and those seeking summer employment, there is almost a national crisis.

The Chairman: There are some very clever men working in this field in Ottawa who know a great deal about it, and we bow to them; but I can assure you that the people around this table know a little about it too. I do not have to go to a minister, deputy minister or anyone; I just have to go to you and say to you, you having lived in the Maritimes and other places, "What does \$25 a week mean or \$30" I think Mr. Benson said that you could live on \$30 a week. He did not point out where. What can that possibly mean to old folks and other similarly disadvantaged?

Mr. McNally: Mr. Chairman, we think the Minister of Finance has been wrong in other directions too—his tax policies, for example.

The Chairman: I have heard you made a presentation.

Mr. McNally: I just want to put what the General Manager said. We went up to see the people, both in the Senate and in the House, and tried to suggest to them that if they would remove some of the shackles on the productive enterprise of Canada and introduce an incentive tax system, we would do the best we could to create 90 per cent of the jobs for those in Canada that are thrown out by private employers.

We also appreciate that 60 per cent of the people who are poor are working. Our sub-

mission, Mr. Chairman, is that we would try to take those 60 per cent who were working and were unskilled and, through the enterprise system, make them more skilled and hence give them better jobs. That would relieve a real problem without a large taxation system.

The Chairman: Mr. McNally, may I just indicate to you that the fastest-growing expenditure in the federal Government is that on education within our scope. We have done that for 5 years anyway. Have we got results?

Mr. McNally: They are beginning to come through.

The Chairman: I share your view. You think they are coming through. So do I, as I am sure do the members of this Committee. But if you saw the level of the discussion at Winnipeg last week, what were they aiming to cut down? You saw that one of the things they were aiming at was the education budget, and they said, "Stop its growth," or words to that effect.

Mr. McNally: Mr. Chairman, as I read it, there were some complaints about the efficiency with which the education budget is being administered. I am not privy to the reasons given by the people at that congress, but there may have been something in that.

The Chairman: Whenever you are short of an excuse you always raise the point that the administration is bad, that efficiency is failing and that sort of thing; but, life is real.

Mr. MacPherson: Mr. Chairman, there is a factor, regardless of education, that applies to retirement. Technology—and, of course, I see it from the viewpoint of the chemical industry and others see it from the viewpoint of other industries—is growing at such a rapid rate that it is making all of us obsolete. I only hope that I can last as an economist for a few more years.

Even for people with very extensive education, there is retraining from the top level right down. You want performance and you want certain standards, and these standards are, unfortunately for many people, going up all the time. This does constitute a real problem.

The Chairman: I identified, as best I could, the poverty stricken, and I indicated that about 40 per cent of them were in the disadvantaged group. I think you shared our view, that they had to be looked after. The question

of amount was a matter, perhaps, for the Government to fix.

Mr. MacPherson: Our figures are different, but we would not argue figures.

The Chairman: So what we have is 55 per cent of the other group working fulltime, part-time, in and out, lacking skills—some having some skills and some not having skills. They are really the great poverty problem. There you perpetuate it, because these people want to work but they just cannot.

Now, you are as much an expert on that as anyone in the country—at least, I think you are, and I am sure the committee does. What is our approach there? I am going to make it a little tough for you. In my mind I wonder whether we are sort of "with it" or not, as a group. You and I are about the same age—I am probably a little older. I wonder whether we are "with it" or not. We have \$1.65 per hour heralded as a great advance in the minimum wage; it is an improvement. What does that give a man? About \$70 a week. With 3 or 4 children or no children, it does not make any difference. No one has suggested that this is adequate for him to live on today. We are thinking in terms of having an unemployment insurance scheme that will pay him \$100 a week when he is not working.

Are you thinking in real terms, or are we thinking in real terms when this is likely to be the law of the land before the end of the year? Of course, from my point of view, I welcome it very much; but you may not. Aside from whether you welcome it or not, that thinking is in the air.

Mr. MacPherson: We look at things through different windows, but I suspect our end is the same, really. I can think of companies that have gone into rural areas. I think of one plant in Maitland that has changed the whole face of that land. It has not done much for the fathers, but is has provided really good careers for the youngsters.

When I think of this regional development I think of plants going into Quebec, into the Maritimes. I think it is a question for Ottawa as to how much money is going into welfare, as to how much money is going into Canada. This is the decision that is going to be made here.

Speaking as an economist, I think our submission this morning is to make sure that the capital requirements of this country are given some kind of a priority. Perhaps you give it a different priority than I would, but I am very

anxious that it be given proper priority. For instance, in private enterprise we have to compete in doing the job. Our corporate tax rate is 53 per cent. We compete with Japan where the corporate tax rate is roughly 37 to 25 per cent, depending upon certain conditions, and they have unlimited depreciation. Now, looking at it through the eyes of management, despite their best intentions to locate a plant in Moncton, New Brunswick, they know that they have to compete with this. These are some of the very hard facts that we face.

The Chairman: Mr. MacPherson, I have been in this arena for 25 years, I have seen the Chamber come and make a presentation, and the argument is the same. We have done pretty well in this country, despite the fact that there was always the argument that we are pricing ourselves out of the market. We do on some occasions, and sometimes other people price themselves out of the market. We have done very well, have not we?

Mr. MacPherson: With all respect, sir, the manufacturing industry in Canada during the decade of the sixties grew at a slower rate than any other country in the world. If that had not been the case we might have had plants in Quebec and the Maritimes. This is a statistical fact, which probably bears out, at least partially, some of our too pessimistic warnings given from time to time.

It is only natural always to see one's future in the darkest terms, but events have unfortunately substantiated too many of the warnings of the Chamber. I have been on some of these delegations to the Cabinet, and our arguments have been dismissed. But you have to look at what has happened to the manufacturing industry in Canada and the rest of the world.

Mr. Carty: Mr. Chairman, I do not think that the Chamber has always decried anything for the public good. Our position has always been to make sure that we put our priorities and our work where they will do the most. We will always have to make sure that from the industry standpoint we put forward the competitive situation. I do not mind raising my wages a dollar an hour if everybody else is going to raise them a dollar an hour. All that will happen is that we both raise our prices, so the fellow who is going to buy is in no different position.

What we are trying to say is, let us move along, let us help our people, but let us keep

Canada competitive. Let us not try to do more for ourselves than other people are getting, because if we do we will eventually go to the well and there will be nothing there for us.

The Chamber is not trying to say we should keep those people down and so forth. Nothing of that nature. We never have. We want to put before the Government, and others making these decisions, some of the problems affecting the industrialists, the workers, farmers and so forth throughout the country. If you put too much of the load on them, they cannot handle it. The load has to go along with the people you are competing with.

What we are trying to put across is that we have all the sympathy in the world; we want to help these 40 per cent of the people you are speaking about. About the others we have to be a little careful. We have to find a way because of the 40 per cent that we agree will not help productivity. With the 60 per cent we can get something out of it. They want to give it. We have to find a way to share the wealth of the country with them so that they provide some of it.

The Chairman: I agree with everything you say. That 45 or 50 per cent, whatever it is, that I speak of say, "Sure, I want to work. I want a job." That is the first requirement. I will discuss that with you in a minute. Suppose a job is not now available to a man in this country at the present time. What happens to him? Is it a Government responsibility to be the employer of last resort, or, in the alternative, to provide for him until such time as he is able to get a job? Is that a social responsibility of this country?

Mr. Carty: Yes. I do not think anyone in this country will let that person starve. That is the extreme. They will do their best to find him a job. I think what we have to ask ourselves is how much the rest of the country competitively can provide.

Mr. Fleury: Mr. Chairman, our general manager is just back from Taiwan, and I think he has a very good story to tell in terms of how to organize the economy to produce in a very short period of time and get away from American aid. If he would like to speak to this, I think it is pertinent and germane.

Before he does so, could I ask the committee a question? Poverty is a symptom. This is a committee on poverty, a committee on symptoms. Has there ever been in the Senate a committee on Growth?

The Chairman: The manpower study was a study on growth.

Mr. Fleury: Ten years ago?

The Chairman: Out of that came the Department of Manpower.

Mr. Fleury: I am speaking about what triggers the economic growth in a country. Should that not be examined by the Senate or the House?

The Chairman: I thought Mr. Pepin was doing that, and devoting himself entirely to that.

Mr. Scofield: Mr. Chairman, I think the comments Mr. McNally was making regarding Taiwan can be summed up very quickly. The people want to work, and it is in their own interests to work. There is no question of whether they can live as well on social benefits they get through government as they can if they have a job. Secondly, I think there is an attitude towards productivity by the Chinese people in Taiwan. This makes the difference. It is true that their wage rates are lower, but they have increased very substantially. Their standard of education has increased substantially. In 1969 it was down to what the Government said was 7 per cent illiteracy. A year later they say there is no illiteracy. Twenty-six per cent of the people are receiving education of some form or other.

In Taiwan the attitude of the people is a willingness and desire to work. They have a desire to produce, combined with increasing opportunities and an urge to be educated. These are the solutions and the reasons for their success. I think we must recognize that perhaps our attitude towards looking after ourselves is an attitude that we have lost. Many people have lost this in the past decade, and perhaps before.

I stood Tuesday morning outside the door at the University of Western Ontario just before breakfast. I saw six young Canadians supposed to be doing a job. Five of them were sitting on their fannies, and one was off by himself working. I came back in 15 minutes, and again a half hour later. The five had never got up. The one lad kept on working. True, these were young people, but it worries me, and it must worry all of us. The attitude of being able to work and care for yourself should be something we should approach with pride, and we should discourage, and find ways to discourage, the young

people, and the older people too, who say, "Well, I don't have to work because I can be taken care of," or "I can get away with it". That is one of our problems.

This gets me back to the question of an interest, a concern and a willingness to participate in trying to produce. Not to be slaves, but to produce, and to recognize when we do this that we are all going to gain.

The Chairman: Mr. Scofield, it occurred to me while you were talking about those five people sitting there not doing much that it is really your fault, because that is bad management.

Senator Fournier: Maybe they were working for the Government.

Senator Fergusson: There is something I would like very much to pursue, which came up earlier in this discussion. It concerns older workers. I certainly liked the recommendations regarding older workers. Referring to older workers, it was said, "Retaining Bill Smith might be good for Bill Smith, but not for the business". Also, if young employees see older employees in senior positions they get discouraged, and you may lose young employees. I am sure the argument is good, and I agree with it.

Recently I read an article on Japan, and the reference to Mr. MacPherson being there brought it to my mind. The article said that one of the reasons they had such success in Japan was because the people in senior positions, who decided policy and that sort of thing, were all of the older generation. The article I read gave this as a very good reason for their success.

Did Mr. MacPherson notice there were older people or would he comment on that?

Mr. MacPherson: I can only comment as it is a very confused picture. Because of the relative lack of longevity of the Japanese, until recently it was "mandatory" and I put that word in quotes, for all to retire at age 55. That prevails today to a certain extent, but not in respect of the very capable. Some of the latter whom I saw in Japan were past age 65.

Positions are found in subsidiary companies or consulting capacities for those over the age of 55. This affords the better of both worlds, with the wisdom of the old and the energy of the new coming along.

I was very impressed with the manner in which the Japanese manage their employees.

There was a feeling that employees belonged to the company and consequently they were very well treated.

One of the most interesting things I saw was a strike in the plant I visited. The strike took the form of wearing red armbands. Being in management, I would rather like this. This was a confrontation with Government. This group was striking because although they were employed by an American subsidiary with high wages, security and promotion by merit, they wanted to return to the Japanese system of lower wages, bonuses in June and December and promotion by seniority.

I cannot comment on the wisdom of either. However, we in the Western world should perhaps take a more cognizance of what is going on in Japan as it may contain lessons for us.

Senator Fergusson: You quote Great Britain as an example of a country having extensive social security but experiencing economic difficulties. Sweden is a country with even larger social security expenditures but no difficulties, is it not?

Mr. MacPherson: Senator Fergusson, this varies. When I was in Sweden a couple of years ago it was around 40 which is fairly high. Sweden's statistics are confusing to this extent: when considering productivity in relation to population, they are very high. However, productivity per employee is surprisingly low in our terms. The explanation is that the working force is about 50 per cent female, which is very high. The fact that so many people work gives a false impression of high productivity. Productivity per worker is considerably less than that in Canada.

Mr. McNally: The bloom is off the rose, Mr. Chairman. Last night's Montreal *Star* reports that there are now real difficulties in Sweden for the first time in 35 years. They had a protracted strike for five months. Which is unheard of in Sweden. They are experiencing many problems in the nature of wage lag and other factors.

The Chairman: Mr. Mondoux made the interesting remark that Mr. McNally had spoken to him about the work ethic.

Mr. McNally: That was a privileged conversation.

The Chairman: We have been discussing it here. Would you take a minute and tell us your view of the work ethic?

Mr. Fleury: This has lately become very popular with behavioral scientists. As I am sure you all know, theory 'X' is the proposal that nobody wants to work; therefore they have to be forced to work. Theory 'Y' takes the opposite view, that everybody wants to work and therefore do not have to be forced to do so, work being its own reward.

With reference to Japan, we must be careful not to compare apples with oranges. We must also be aware that comparisons are invidious, an entirely different situation existing. Visiting Japan is similar to entering another world. I may not be giving information which is new to you. However, I lived in Japan for a year some 20 years ago, and revisited it recently.

The Japanese have the discipline of filial piety and devotion to family. For many centuries they have had to labour to excess just to earn enough rice and noodles to keep body and soul together. The whole country has been oriented for at least 1,500 years to the god emperor. The literacy rate in Japan is phenomenal, less than 1 per cent of the population being illiterate. Education has been given a very high priority over the years.

The need to work long hours for miserable wages has been ingrained into the people for generations and generations. Also, of course, they have no natural resources at all. The only resource the Japanese have is manpower, which they have used very cleverly and effectively. The point that Mr. MacPherson made, that when they strike they keep working, is indicative of their attitude to work. They tie a red arm band around their left arm as an indication that they are on strike but still work from 7 o'clock in the morning to 6 o'clock at night.

The economy is controlled largely by the Government and the Saibatsu, the huge conglomerates that have always been a great factor in Japanese export.

The situation is one of over-employment. For all practical purposes, the unemployment situation today in Japan is less than 2 per cent, probably 1.8 per cent. This is caused by a form of control or deliberate featherbedding. In hotels and restaurants five people do the work of four or three. They are all terribly busy and give you a wonderful feeling of being looked after in the last stronghold of gracious living. A five course meal is brought by five waitresses. This is a deliberate attempt on the part of the Government and the Saibatsu of returning to this feeling of

belonging rather than that of isolation which persisted for centuries. They have the feeling that if they are to compete on world markets they have to work twice as hard as others.

We could use some of these things here, but we are not going to get them because the situation is entirely different. We have been brought up in a different ethic, moral or religious, call it what you will. We have been brought up under a different set of economic circumstances. There are 110 million people in an area that we would think overcrowded with one-tenth of that population.

When we look at some of their attitudes, habits and production figures, their taxes, strangely enough, at the corporation level, as Mr. MacPherson has pointed out, are lower than ours, but their general taxes on consumer goods are much higher than ours. For instance, every meal in Japan is taxed 10 per cent. It does not matter who eats it, in every hotel or restaurant the tax is 10 per cent. A bottle of good brandy is \$40, an ordinary bottle of whiskey \$25.

Mr. MacPherson: Mr. Chairman, at the risk of belabouring a point, if you drink Japanese whiskey it's only five and a half dollars.

Mr. Fleury: That is a very good point. You see how they are protecting home industry. It doesn't matter whether it is diesel oil or good whiskey. It is made at home.

Mr. MacPherson: It is very significant in terms of our problem. Government expenditure in Japan as a percentage of gross national product is 22 per cent versus our 36-37 per cent. Consumer expenditures are deplorably low. They are down to only 50 per cent of GNP, the remainder being invested. Of course, the high level of capital investment encourages the increase in productivity.

There have been statements recently to the effect that we are concentrating too much on growth rather than on distribution. There is much validity to this statement. If one is thinking in terms of Japan or Germany, I think the Japanese are certainly building up pressure there, but they are keeping consumer expenditures down to 50 per cent of gross national product. Meanwhile, as I said, investment is booming leading to greater exports and reinvestment, in Southeast Asia. How long the consumer will put up with this I don't know. There would be a much healthier situation in Japan if growth were to slow down and consumption were to increase. We hear people talking about too much emphasis

on growth and not enough on redistribution. This may apply to Japan or Germany, but certainly not to Canada where we have this challenging problem of finding jobs for this 3 per cent of the labour force.

The Chairman: Do you consider, as an economist, that since 1952 we have had no significant redistribution in this country between the rich and the poor?

Mr. MacPherson: As I say, if you go back in 1958 or 1959—the latter part of the fifties—the consumer was getting closer to 66 per cent of the G.N.P., but he is now down to 60 per cent plus or minus a few percentage points. There has been a deterioration here. The difference has not gone to investment; it has gone to government.

The Chairman: I am not so sure.

Mr. MacPherson: Could I qualify that further. I haven't been able to measure this precisely. Some of this apparent deterioration in the position of the consumer has been offset by some benefits he received in the form of an expanded welfare programme. This 2 per cent or 3 per cent is not a reliable figure, but is as near as I can make it.

The Chairman: I do not think you are far out. But the only advances made in that period of time is what has come out of the social benefits?

Mr. McNally: Mr. Chairman, I am very ecumenical and I would like the record to show that you asked me about the work ethic and not the Protestant ethic!

Mr. Mondoux: That is what it is called in the books I read, anyway.

Senator Fournier: It was mentioned here some time ago, and it was significant to me, that 5 per cent of the people on welfare draw 75 per cent of the money. Where do these figures come from?

Mr. McNally: This figure comes from a submission by The Canadian Chamber of Commerce to the Royal Commission on Health Services. It is part of our paragraph on indigents in that submission. I do not have the document with me, but what I said was that 5 per cent of the people on welfare in a particular city—in this case London, Ontario—were consuming 75 per cent of the welfare budget of the welfare agency.

Senator Fournier: At that time you didn't pinpoint it.

The Chairman: Frankly, gentlemen, that could not be so. I find I cannot think of the Canadian poor and the poverty stricken or even the Canadian citizen in the same economic terms as the Japanese or Taiwanese. I have difficulty. I relate more to the American British, French and European countries.

There was something said here about the number of people who are abusing or taking advantage of the welfare system. These are people who can and should work but who do not and yet are receiving assistance. I think that is the substance of what was said.

You have been following the proceedings and you are pretty much aware of it. That statement has been made time and again in the United States and it is one that hurts.

Mr. McNally: It is not our statement. We have not said this.

The Chairman: Someone said it, because I made note of it at the time.

Mr. McNally: We have made some comments on the question of unemployment insurance Mr. Chairman, because we are very much in favour of and commend the Unemployment Insurance Commission for the excellent work that they are doing in trying to eliminate fraud. We think this is excellent. Is that the area you were discussing?

The Chairman: No. I was discussing it in terms of people on welfare who should be working but are not working, and who are drawing welfare.

Mr. Carty: I think, Senator Croll, in the course of the discussion I said that it seemed to us that there is or should be a difference in the approach to welfare for the 40 per cent of the welfare group who were, to use your term, disadvantaged as opposed to the approach to the 60 per cent who could and should be working. This was not meant to imply that these people were frauds. My point was, that if the guaranteed annual wage goes right across the board, there will be some problems because the help the 40 per cent need should be geared and handled differently from the help for those who can be employed, we hope, and made productive. Perhaps that is the point you were referring to.

The Chairman: I was delighted to have our agreement that the disadvantaged people have to be looked after as best we possibly can.

Mr. J. W. Moreland, Member, Health and Welfare Committee, Canadian Chamber of Commerce: I think there are two points, Senator Croll, to be clarified before the discussion ceases. You mentioned there was about 20 per cent or 4 million people in the disadvantaged group and of that some 10 per cent or 12 per cent were widows and orphans. These people are now, or will be very shortly, taken care of through the Canada Pension Plan under Disability and Widows' Benefits. That group will not increase and may reduce substantially.

The Chairman: I have some news for you. I was talking about female heads of families and 350,000 children. These are widows, deserted or separated wives, living apart with no chance at all of getting on. They are probably on allowances now. They are not in the labour force.

Mr. McNally: They are not eligible for the Canada Pension Plan.

The Chairman: Of course not.

Mr. Moreland: In the future widows will be taken care of.

The Chairman: But the divorced and deserted and the others, that is the great group I am talking about.

Mr. Moreland: The other point, sir, you made as I understand it, concerned the case of a man earning \$1.65 an hour or \$65 or \$70 a week. There was mention that the new plan was to provide him with \$100. I think in fact it will bring his income up to \$100; it will not pay him \$100 in addition to what he is earning.

The Chairman: Yes, two-thirds of the wage. Put it on any basis you like. He earns \$65 or \$70, and if he is on unemployment insurance he gets approximately the same amount of money.

Mr. Moreland: No. Two-thirds.

The Chairman: Yes, up to \$100. You are quite right in correcting me on that.

Mr. MacPherson: Mr. Chairman, may I interrupt to give you a figure. You made the statement that the average person was not better off today than he was a decade ago except for government assistance. There is much truth in that, but I would like to elaborate just a little bit. As near as we could tell—we did this calculation last fall—the real

income of the average Canadian had increased by only 2 per cent between something like '64 and '65 and '69. Of course, there were two culprits, price increases and taxation.

Government revenue today, which is largely taxation, represents 38 per cent of gross national product. At the wartime peak with wartime expenditures the comparable figure was only 28 per cent. Now, we just cannot go on adding to this. I think the consumer, the worker—with certain exceptions in certain trades—is in a difficult position. We appreciate this. A very considerable part of that is accounted for by the increase in taxes.

I don't think anybody in 1944 could have forecast that after 25 years of peace the taxation burden would be a third higher than it was in 1944. This is the situation we are facing.

The Chairman: The Government takes the position that they need the money for the development of the country. The provincial governments take a good slice, municipal governments take a good slice and there it is. When they sit down and start examining these departmental figures you would be surprised how little flexibility and how little room there is to get away from those fixed costs.

Mr. McNally: Parliament says it needs the money to develop the country, but is the country developing? The figures that Mr. MacPherson quoted show a 2 per cent real growth rate as compared to about 11 per cent for Holland, for example.

The Chairman: In our own way we are developing very well. We are not comparing ourselves with Japan...

Mr. McNally: Holland. 11 per cent.

The Chairman: You have to compare bananas with bananas. They have a different standard of living. They have a different approach in Holland.

Mr. McNally: Let's compare the level of social welfare benefits as between Canada and the United States. Here it is about 10 per cent. In the United States it is 7.2 per cent.

The Chairman: Yes. But there are other benefits in the United States that make up the

difference and other costs that go far beyond what we are spending on social benefits.

Mr. McNally: When I was making the comparison you didn't like Holland, so I picked the United States.

The Chairman: As I indicated to you, taking the American comparison, we spend far less on a percentage basis than the Americans do.

Mr. Carly: I think Mr. MacPherson was saying that there is no question of the country developing. But perhaps he was questioning whether or not the distribution of gross national product was different and whether the country might develop more. I think this is the point he was making. I think he felt that money in investment, rather than something else, might develop the country more and so give all Canadians more.

Mr. MacPherson: Thank you.

The Chairman: He has been doing very well this morning in making his point.

Senator Pearson: Where is the Government putting the money? Not in production of new goods, etc. What they are doing is putting the money into airports and highways and such things. This is not production. It helps in a certain way, but it does not give everyone the right to say that this is production.

The Chairman: Well, of course, you need airports and highways.

Senator Pearson: But you need bread and butter and machinery first.

The Chairman: If you didn't have the airports these fellows would really complain.

May I just say, on behalf of the Committee, you are most welcome. You have had some hard questions thrown at you, but you are knowledgeable people. You are people who know the score. If we are going to probe, you are the people that we have to probe at. If it was a little harsh today, you understand why it should be so.

Your brief has been valuable and we have had a useful discussion. We appreciate the time and thought you took to put it together. We have profited by it. We thank you very much for coming here this morning.

The committee adjourned.

APPENDIX "A"

Submission

on

POVERTY

by

The Executive Council

of

THE CANADIAN CHAMBER OF
COMMERCE

PREFACE

This submission is presented in the name of, and on behalf of, the Executive Council of The Canadian Chamber of Commerce which acts during the interim between the meetings of the National Board of Directors. The following views are based on, and derived from the Statement of Policy of the Chamber.

The Canadian Chamber of Commerce is the national voluntary federation of over 800 autonomous Boards of Trade and Chambers of Commerce (the terms are synonymous) in communities throughout Canada.

These community Boards of Trade and Chambers of Commerce exist to promote civic, commercial, industrial and agricultural progress in the areas in which they operate and to promote good government at all levels. Seventy-five per cent of them serve communities of less than 5,000 population. In addition, the Chamber has some 2,700 corporation members comprising businesses of all sizes, all types of enterprise engaged in production, marketing and service, and in all parts of Canada as well as twenty-nine national business and professional association members.

The Chamber, therefore, is representative of the full range of business in Canada: small businesses, agricultural, large businesses, unincorporated businesses, sole proprietorships, partnerships and professionals in which the employees of these enterprises economic future depends upon the success or failure of these enterprises.

The Chamber yields to no group in its concern for the quality of life of all Canadians and in its determination to discharge its social responsibility in addi-

tion to performing its economic tasks. If this Brief seems to address itself largely to the practical and economic aspects of the poverty problem in Canada, rather than to the humanitarian values, let it be noted that we speak for business and make no apology for concentrating on features with which we are in daily contact and on which we should have experience and specialized knowledge and which we sincerely are prepared to place at the service of our disadvantaged fellow citizens. As our Policy Statement indicates, we believe that *sustainable* social betterment depends on healthy, competitive enterprise and economically strong Canadian enterprises.

INTRODUCTION

1. The social security programs of all Canadian governments have grown so rapidly in recent years, involving such a large percentage of taxation revenue, that the Chamber welcomes an in-depth objective appraisal of the whole range of policies now in effect. In any such re-examination, three broad criteria should be applied in judging the efficiency of any particular program. First, its impact on the growth and development of the Canadian economy. Second, its effectiveness in alleviating poverty and ultimately removing its causes. Third, any area of overlap with other programs.

2. Canada has the human, material and technological resources to provide a rising standard of living and a betterment of the quality of life for all Canadians. To achieve this, we should make the most effective use of such resources and distribute the resulting output in a manner that will strike that bal-

ance between the levels of consumption and investment needed to ensure the optimum rate of growth of the Canadian economy. From the social security point of view, this involves first the marshalling and effective use of all resources, including the efforts of the individual; second, in the words of the late Sir Winston Churchill, bringing the magic of averages to the benefit of many in the form of insurance; and thirdly, the granting, where necessary, of financial assistance as a supplement by government.

3. The Canadian economy is capable of meeting social needs and there need not be nor should there be privation or destitution in this country. Although it is now possible to reconcile economic potential and human needs, limits must be established against unrealistic demands which place a brake on economic growth. The potential of the economy cannot always keep pace with the growing and glowing promises of some who compete for political power.

4. Those who plan and develop social welfare programs should guard against short-term palliatory measures at the expense of long-term growth in the living standards of the entire population.

5. The Chamber has over a number of years articulated several policies in the field of Social Security and Employment of Special Categories of Workers. The following views represent the considered and adopted views of the business community as represented by the Canadian Chamber which is described in the Preface.

SOCIAL SECURITY

128. Canada's security philosophy, policies and programmes should recognize that most Canadians can, and wish to, provide for their own security. Those who cannot, through no fault of their own, should be treated with compassion and provided with selective and restorative remedies.

129. Canada's educational systems should inculcate self-reliance in order to deal with a complicated and complex world. It should also engender a care for the community and a capacity for independent thought, and an acquisition of skills for today's increasingly competitive world.

130. Owing to the fact that Canada has now an urban rather than a rural-based population, it may appear desirable on a

pragmatic basis to develop contributory, state-administered schemes. In such an eventuality, care should be taken to provide a public advisory body with members drawn from representative bodies in the community. Care should also be taken for a statutory exhaustive review of public plans so that these are kept modern and purposeful.

131. Since social security is a matter of divided jurisdiction in Canada, federal-provincial liaison groups should continue to function and should resolutely prune over-lapping programmes to the end that the saved funds be put to better use elsewhere if they are needed, or to the relief of the already heavily-burdened Canadian taxpayer.

132. Finally, the Chamber realizes keenly that there is a poverty problem in Canada and agrees that the poverty cycle must be broken. The business community in Canada is one of the central instruments for dealing with this problem. It is already engaged in making its contribution firstly by way of providing employment, by way of training, retraining, industrial medicine, counselling, etc. It continues to pledge its resources and skills in a resolute and effective battle towards eliminating poverty in Canada.

EMPLOYMENT OF SPECIAL CATEGORIES OF WORKERS

98. The full utilisation of Canada's manpower resources is essential for our economic advance. Employers should be cognizant of the important contribution that special categories of workers, e.g. older or handicapped persons, can make to our nation's productive effort.

Employment of the Older Worker

99. Studies have indicated that the older worker, if properly placed, can compare favourably in performance with other workers and can make a considerable contribution to the production of the country. Furthermore, the older worker group represents a reservoir of skill and experience that the country can ill afford to waste. The addition of older workers to our labour force would enlarge our productive capacity.

100. Recommendation:

that Canadian employers recognize the skill, experience and reliability of older

workers and give consideration to the suitable employment of this group to the fullest extent practicable.

Rehabilitation Program

101. Future financial assistance by the Federal Government should be directed only to the areas in which the individual is unable to help himself, to the indigent, the aged, the chronically ill and to those who suffer catastrophic medical expense. It is for the above groups, and for the physically, socially or mentally handicapped who, lacking services, are likely to fall into these groups, that rehabilitation is an investment in human welfare which should be adequately supported by Federal assistance.

102. The beginning of the rehabilitation of a patient is the adequate, proper, skilled medical and surgical care that the individual receives at, or soon after, the time of his primary illness or injury. These medical services, together with physical restoration, psychological, social and vocational services should be supplied as necessary, so that the ultimate goal of complete rehabilitation is achieved.

103. A co-ordinated rehabilitation program combining physical restoration, social, psychological and vocational services is a money-saving device, bringing satisfaction and independence to the severely handicapped.

104. The rehabilitation of all handicapped persons must be aided by work assessment, counselling, guidance and help in job-placement and retraining where necessary. In this respect, existing facilities in the community, such as technical institutes and business schools, should be used.

105. The rehabilitated individual will be an economic asset to employers, and rehabilitation methods should be based on sound knowledge and experience. By applying common sense, the procedures can be kept simple and inexpensive, and where possible should be carried out in the local community, using available public or private services. We commend the Government for its legislative action in this field and will continue our efforts to encourage our members to provide suitable employment opportunities for disabled persons in accordance with their abilities.

106. Recommendations:

1. That the Federal Government encourage and support the Provinces in every way possible to develop co-ordinated rehabilitation programs which will provide such facilities and services as are necessary to bring comprehensive rehabilitation to those individuals who can benefit.

2. That in developing such services, the fullest co-operation of employers, workers, government and voluntary agencies be encouraged.

Employment of the Handicapped

107. It is suggested that many jobs do not require the full capacities of an able-bodied person. If a handicapped person still has the required capabilities, he is not handicapped in that particular job.

108. Experience has proven that persons with various degrees of mental retardation can be satisfactorily employed in many jobs suited to their capabilities. Moreover, the importance of returning persons recovered from mental illness to productive employment without undue delay cannot be over-emphasized.

109. Many persons in our society are socially handicapped. These include the individual with a prison record, the indigent, the alcoholic, and those with inadequate education. With counselling, assessment, basic education, retraining and job placement, they can be productive and stable in employment.

110. Recommendations:

1. that employers continue to co-operate in the placing of those with physical, mental or social handicaps in suitable jobs wherever possible; and

2. that employers who have not already done so investigate the possibility of employing those with physical, mental, or social handicaps.

SEASONAL UNEMPLOYMENT

111. Unused capacity, lessened employment, and idle equipment is an economic waste that Canada can ill afford.

112. Seasonal unemployment in Canada is a problem meriting serious consideration and discussion because it involves a recurring annual waste of manpower and frequently of productive capacity. We recognize the solving of this problem is

the responsibility of all groups in Canada. We pledge our co-operation in efforts to solve this national problem.

ECONOMIC CRITERIA FOR THE AMOUNT AND EXTENT OF HEALTH AND SOCIAL WELFARE

6. Before considering individual plans, it will be helpful to establish further criteria for evaluating the immediate direct and longer term indirect effects of decision in the social security field.

Need

7. Concepts of need have changed rapidly with the passage of time. The actual amounts required in Canada vary greatly with geographic regions, between urban and rural areas, and with family composition. Poverty is often looked upon as a relative condition. Furthermore, despite the claim of some that just as many people are poor today as twenty-five years ago, it is beyond doubt that cases of absolute need now constitute a much smaller proportion of the population than at any time in our history. The interpretation of statistics on poverty is further confused by the fact that the popular concept of poverty envisages a level of income much below that believed necessary by those with responsibilities for social security.

8. Any definition of poverty must therefore be inexact. Qualitatively, this is the state in which the individual is unable to command the necessities of life. Statistically and economically, it is an income level which does not provide a minimum living standard. Today the guideline accepted informally by the federal government and other groups places the so-called "poverty line" at \$1,500 per annum for an individual and up to \$4,000 for a family of five or more¹.

¹ The Economic Council in its Fifth Annual Review has endorsed a D.B.S. census monograph on low income families in 1961 (J. R. Podoluk, *Incomes of Canada, D.B.S. Census Monograph, 1968*) which contains two estimates of "total poverty". Under the first, low income families and individuals were defined as those using 70% or more of their income for food, clothing and shelter. In the second estimate, it is assumed that 60% or more is spent on the necessities indicated. Using these guidelines, poverty lines were defined as:

	Lower Estimate	Higher Estimate
Single persons	\$1,500	\$2,000
Families of two	2,500	3,500
Families of three	3,000	4,000
Families of four	3,500	4,000
Families of five or more	4,000	5,000

9. While these levels of income are below desirable levels for Canadians today, the standard of living which they represent is well above that enjoyed by all but those in the upper income levels of the last century. It should be noted too, that these poverty guidelines represent standards of living greater than that enjoyed by a large proportion of the population in most countries outside the North American continent today. They relate to a level of wages and salaries well above that found in most nations who compete with the output of Canadian workers in both foreign and domestic markets. As a matter of record, average income per person in Canada was about \$2,250² (U.S. funds) for 1968. The comparable figure was about \$1,700 per² year for Germany, the strongest economy in Western Europe and one from whom our own government has borrowed. The level for Great Britain was similar. The average income in Japan, by no means an underdeveloped country, was \$1,100 per annum in 1968.²

DEFINITION OF POVERTY

10. It may help to clarify our thinking if we remind ourselves that poverty has many faces. The most permanently poor are those people who are normally incapable of earning a living, such as the disabled or the deserted mothers with children. Second, there is the life-cycle poverty which occurs at predictable periods when people cannot work because of youth or old age. Finally, there are those who are in temporary financial stringency because of illness or other catastrophic developments. In more normal times, the people suffering from life-cycle or contingency poverty may be perfectly capable of meeting their own needs. In fact, during normal periods, some undoubtedly have enjoyed an above-average income. Their need is clearly for insurance. Those normally unable to work, on the other hand, are candidates for social security.

11. A little reflection leads to the conclusion that Canada's social security program has gone a long way towards meeting minimum requirements. The much greater question which faces this country today is whether those with some income, but who are still poor, when measured by the standards set by the Economic Council, should receive governmental assistance. Before answering this

² Source: I.M.F.—Int'l Financial Statistics. U.N. Yearbook of Nat'l Acc'ts Statistics, 1968. Data for 1967, updated one year by The Canadian Chamber of Commerce, using U.N. data.

question, it is necessary to assess Canada's ability to pay and other contextual questions.

Canada's Ability to Provide Social Security Payments

12. Because a plan may be financially feasible, given the government's borrowing and taxing authority, it does not necessarily follow that it is physically possible and economically beneficial. A crucial criterion in evaluating a social security program must be a nation's ability to provide the physical as well as the financial resources needed. At the federal level alone there are over 200¹ programs for human development, with an annual bill of \$5.5 billion,² provincial governments are currently budgeting about \$3.1 billion for health and welfare. And municipalities spend another \$130 million³. Thus, the total welfare bill is more than \$8.7 billion. These figures do not take into account the very substantial outlays for education made by the various Canadian governments. (Note Appendix 1). These figures are equivalent to more than four-hundred dollars for every person in this country. If the bill is related to the number of employed people in Canada—who generate the incomes which are taxed directly or indirectly to support social security—the burden on each worker already exceeds eleven-hundred dollars.

13. It does not seem reasonable for public authorities to encroach further upon incomes, thus endangering private initiative. This view rests on a solid statistical base. In 1969, for example, revenues of all governments in this country were equivalent to 37.8 per cent⁴ of the gross national product. This ratio far surpasses that of the United States, Japan and Australia, which possess strong and dynamic economies. 37.8 per cent compares with a figure of 28 per cent⁴ for 1944, a year in which the government's war outlays reached their peak.

14. There is evidence that we are caught in a vicious circle. We increase governmental expenditures for social security and other purposes, impose new taxes, increase prices and devalue earnings and savings thus pushing more people towards the poverty line, with a resulting demand for more governmental assistance.

15. This circle is demonstrated in Appendix II. When a nation is faced with unemployment, idle plant capacity and other unused productive resources, increased expenditures by consumers, industry and/or government all have beneficial effects and lead to an increase in economic activity. Thus, during such periods in the past, governments were able to make increased outlays for social security purposes with pronounced beneficial effects on both industry and the economy. It is now generally recognized that deficit financing can promote economic expansion as long as productive resources are not fully employed (left side of spiral).

16. However, once full employment has been reached, (right side) increased government expenditures do not produce more goods and services but only serve to upset the delicate balance between investment and consumption required to maintain the economy at full employment without inflation.

17. Unfortunately this dramatic change in cause and effect which occurs once resources become fully utilized is all too frequently ignored by governments. They point to the past benefits that have been achieved from higher social security outlays and demand more of the same. An increase in demand without any compensating expansion in the production of goods and services must inevitably lead to inflationary price increases, particularly when the accompanying loss of confidence and the inevitable higher taxes which occur under such conditions retard the volume of new investment required for the needed expansion in productive capabilities.

18. The Canadian economy is today in the steeply upward stages of this spiral. Rising prices, wages and taxes have been accompanied by lower profits and capital investment. Inflationary pressures continue to build up and, at the same time, government spending grows at close to thirteen per cent per annum. The restraint on private demand imposed by government to contain inflation is leading us back to a situation of high unemployment. Eventually the situation is compounded by the unfortunate combination of serious unemployment and inflation at the same time.

19. The task facing Canada in 1970 and beyond is to break this vicious spiral by restoring a measure of financial prudence in the conduct of government. Otherwise the continuation of this spiral will destroy the purchasing power of the savings of a larger pro-

¹ Source: Speech by Dr. Joseph Willard, Deputy Minister of Health & Welfare. Speech to Montreal Economics Association, March 1969.

² Source: See Appendix 1.

³ Source: U.N. Yearbook of Int'l Statistics.

⁴ D.B.S.

portion of people, and thus push more people, even those in the upper-middle income group, to the point where they too become candidates for welfare assistance.

Economic Effects of Increased Social Security Expenditure on Canada's Growth Potential

20. The effect of social security expenditures on the rate of growth and development of the overall Canadian economy merits the most critical examination. To expand social security plans or to add new ones, can greatly alter structural and environmental conditions which in turn exert a determining influence on the growth of the economy. The explanation is simple: economic growth and progress is heavily dependent upon productive capabilities, which in turn requires high investments to increase plant capacity and equally large capital outlays to achieve the improvements in productivity made possible by adopting the latest technological advances.

21. The full magnitude of these capital needs is illustrated by the figures in the following table. During 1968 (the most recent year for which figures are available), Canada had to turn to imported capital for \$100 million of its capital needs. Even if only moderate economic growth is achieved, this shortfall will rise to \$4.0 billion (see Table 1) by 1975. If Canada experiences a 5.5 per cent growth rate, which is considered barely adequate, the shortfall will be \$5.0 billion. And if this country were to grow at its full potential of 7 per cent per year—which is well within our productive capabilities, given appropriate economic policies—then the need for imported capital rises to \$8.6 billion by 1975. The figure is so much higher than that for median growth, because of the restructuring of the Canadian economy which would take place, i.e. the greater concentration on the high productivity industries and the gradual phasing out of the industrial enterprises with low income generating potentials.

TABLE 1
CANADA—CAPITAL REQUIREMENTS AND DOMESTIC SAVINGS
(billion current dollars)

	1968	1975 Forecast		
		4% G.N.P. growth	5.5% G.N.P. growth	7% G.N.P. growth
Domestic Disposition of Funds				
Business Investment.....	9.9	20.3	24.4	33.0
Housing.....	2.8	5.9	6.1	6.3
Inventory Change.....	.7	1.0	1.5	2.0
Total Domestic position of Funds.....	13.4	27.2	32.0	41.3
Domestic Sources of Funds				
Personal Savings.....	4.0	9.8	10.5	11.2
Business Savings				
—undistributed profits.....	1.5	2.9	3.2	3.6
—capital consumption allowances.....	7.3	12.4	13.1	13.8
Government Balance				
—pension plans.....		1.0	1.2	1.4
—all other items.....	.8	-2.7	-1.2	2.7
Other items.....	-.3			
Total Sources of Funds.....	13.3	23.4	26.8	32.7
	-0.1	-3.8	-5.2	-8.6

SOURCE: 1968 D.B.S. 13.001 National Income and Expenditure Accounts, 4th quarter 1968. 1975 Chamber of Commerce studies.

Shortfall of Domestic Funds

22. Because Canada must compete for its investment funds in world markets where capital will be in short supply, profit opportunities in this country must compare favourably with other nations. For the great majority of manufactured goods at least, this is not the case at present. What is required therefore are costs and taxes at rates sufficiently low to enable Canadian manufacturers to remain competitive in world markets. These are the harsh realities of the times, and in devising social security programs these facts must be taken into account or living standards will fall regardless of even the most comprehensive of social security plans.

23. The nation might even fail in maintaining the priority in any social security program which, of course, is full employment. But preoccupation with economic difficulties should not be permitted to obscure the truly enormous improvement in living conditions that will be attained during the next generation if we use our resources wisely and effectively. Canada has the human and material resources necessary to achieve an increase of 7% per annum in gross national product. In fact, if this country's economy were to grow at a 7% rate for the rest of this century, Canadian G.N.P. by the year 2000 would be equal in size to that of the United States for 1963. This is a truly staggering potential.

24. If Canada can achieve this high and steadily rising level of economic activity, the benefits to every individual in Canada are truly amazing and truly beneficial in terms of human dignity and quality of life. These include more job opportunities, rising incomes, more funds available for needed social security and rising living standards for all. It is surely true that unless there is economic growth, there will soon be no increased income and no wealth redistribution.

Growth alone may not cure poverty, but poverty will most certainly not be cured without buoyant sustained growth. Distributed poverty may provide equality, but new wealth must be produced and distributed if poverty is to be eliminated.

Incentive

25. One of the most serious problems of extensive social security is the incentive or disincentive to work which it may create in the recipient. There are at least two schools of thought. One maintains that if you give a man enough money to subsist, we believe

generally you will destroy his incentive to work. In fact, there are places which have come to accept handouts as a way of life. According to this viewpoint, not welfare, but retraining is the solution to poverty.

26. On the other hand, another school insists that if you assure a man enough money to buy the basic decencies of life, you motivate him to work for more money. To some extent, both of these propositions are largely untested in Canada, although work is being undertaken in other countries.

27. Before Canada commits itself to any new plan, such as, for example, the guaranteed annual income, far more intensive and skilled research and investigation must be undertaken by social scientists, economists, financial experts and governments. In addition, considerable experimentation with carefully designed pilot projects are needed. One of the most outstanding research projects in this field is the experiment with graduated work incentives undertaken in New Jersey and Pennsylvania in mid-1968. The recently-published preliminary results indicate that graduated income supplements may motivate people to work. Nevertheless, even the people in charge of the project are not yet convinced that such a program has uniformly favourable effects. Further experimentation on their evaluation is required in Canada.

28. However, this debate about incentive overlooks the real difficulty. And it is that if any group is assured substantial welfare assistance without working for it, a much larger proportion of the population whose efforts must support those on welfare out of their productive efforts will eventually lose their incentive to labour. This is a far more serious consideration in light of the fact that even now Canada's growth in real dollars is practically horizontal.

Universality

29. Many of this country's social security benefits have taken the form of demogrant or universal payments. This has resulted in funds which might otherwise have been available for welfare and benefit being diverted from areas of need to areas of non-need. For example, the annual old age security disbursements of the order of \$1.7 billion¹ per year are not sufficient even with old age supplements to prevent claims of want and privation for at least half of the over 65

¹ Source: The Nat'l Finances, 1969-70, page 112, Tab 59.

population, largely because of the proportion paid to those who don't need it. Family allowances which cost \$600 million are at too low¹ a level to break the poverty cycle for some of the younger generation while \$300 million of this amount is paid to those who don't really need this help. Even the Canada Pension Plan, which was supposed to relate contributions to benefits, heavily subsidizes those who need it least. For example, a person retiring 10 years after the plan started will receive a pension worth \$15,000 more than the contributions part on his behalf even if he were a millionaire.

30. The present taxes raised for these purposes would have accomplished much more in the alleviation of real need had we relied on selectivity instead of universality in drafting our social welfare plans. This is the obvious solution in any extensions of existing plans or in the development of any new plans. It is to be hoped that the Prime Minister's statement that "What we need now is more selective programmes which will meet the needs of the dispossessed and the underprivileged" will be rigorously followed.

31. Every industrially advanced society has adopted the obligation to assist or provide for the less privileged. But we must not overlook the fact that most people in our society are capable of achieving such a standard by their own efforts. The main objective should therefore be to provide the opportunity to do so. Much can be said for the inherently therapeutic value of, and the strong need to, work.

32. Thus far, this belief in the obligation of the more privileged to assist the less privileged has developed criteria for evaluating welfare proposals, including need, ability to pay, effect on economic growth, incentive and opportunity. The point is made that universality should be re-examined and more effectively employed in meeting the needs of the poorer and lower income groups. This country should remind itself that the most important requisition for the well-being of all is a growing and prosperous economy with full employment and rising incomes. If this goal is achieved, moreover, there will be less need for some of the social security measures aimed at income redistribution, which had their basis in the depression psychology of the nineteen-thirties.

GUARANTEED ANNUAL INCOME (G.A.I.)

33. In the Guide for the Submission of Briefs to the Special Senate Committee on Poverty, there is an indication under Poverty Programmes, that the Committee would be specifically interested in such matters as the Guaranteed Annual Income, Negative Income Tax, and Income Maintenance Policies. We respond to this request in a preliminary way, having in mind the fact that two White Papers on matters related to social security have still not been published. The first of these, of course, is, according to a press story, a White Paper from the Minister of Labour on Unemployment Insurance changes. The second is the White Paper on Social Security mentioned in a Speech from the Throne on October 23rd, 1969. Following publication of these White Papers the Chamber will naturally be in a better position to make further representation and would welcome the opportunity to do so.

34. The guaranteed annual income approach to social security is presently under consideration by the Canadian government. For this reason it will be examined in some depth in this brief.

Universal Payment

35. The proposals take two main forms. The first is that espoused by the American Robert Theobald, who would give to everyone with income below an established poverty line enough money to bring him to that poverty line.

36. A major criticism of this approach is that it would destroy the incentive to work of all those below the poverty line and, to some extent, a number of those above the line as well. Theobald's defence is that "Americans in all income classes have an almost pathological desire to toil". This assumption, however, is of doubtful validity, particularly when a guaranteed income is in such form that an extra dollar earned from work means a dollar less in welfare payments.

37. Related to this problem is the enormous cost of a guaranteed annual income. Rough estimates of the cost of such a program to Canada will be discussed in a later section of this brief.

¹ Source: The Nat'l Finances, 1969-70, page 122, Tab 65.

Negative Income Tax

38. The second major type of G.A.I. currently under discussion is the negative income tax, whose strongest proponent is the economist Milton Friedman. According to his plan, a family with an income below an established poverty line would receive an income supplement which would be a percentage of the difference between the two. If, for example, the poverty line is \$3,000, the family's income is \$2,000 and the percentage of negative tax is 50 per cent, the supplement would be half of the difference or \$500.

39. The advantage of this approach is that it retains the incentive to work, because an extra dollar of earned income reduces welfare benefits by only a proportion of that dollar. Its cost is naturally less than that of the full G.A.I.

40. Professor Friedman advocates the negative income tax as a replacement for, rather than a supplement to, all current welfare programs. While this would undoubtedly be more economical than if the G.A.I. were merely "stacked" on top of existing programs, sole reliance could not be placed on this approach. Such an income guarantee, for example, could not replace medical and hospital programs, counselling and related social services, retraining and rehabilitation programs and other similar personal service programs.

41. The offsets to the cost of a negative income tax plan, therefore, narrow down to:

(a) The cost of Canada Assistance Plan and related provincial and municipal benefits.

(b) The O.A.S., O.A.S. Supplement, Family Allowances, C.P.P. and Unemployment Insurance, Widows' Disability and similar benefits payable to those whose total income including these benefits falls below the base established for the payment of a guaranteed annual income.

SOME EXISTING SOCIAL SECURITY MEASURES

42. As mentioned previously, we understand that White Papers with attendant up-to-date information will be available. In the absence of such information, we would make some preliminary comments on certain social security measures. For such varying reasons as political realities and common sense, it appears to us that while some existing social

security measures might be unwound, others might require more funds and indeed new bold functional programs might be required.

43. Our purpose in making the foregoing preliminary statement is to provide a cautionary note that it is by no means certain that a G.A.I. scheme will eliminate vast sums from our present social security programs and there is the distinct possibility of stacking a G.A.I. scheme on top of an already burdensome welfare bill which in Canada is increasing at a high rate.

Cost to Canada of a Guaranteed Annual Income

44. Estimates of the cost to Canada of a guaranteed annual income (G.A.I.) have been prepared, using as a definition of the poverty line the figures espoused by the Economic Council of Canada. In addition, a number of refinements have been made.

(a) The first estimate assumes that the poor are brought up to the "low" poverty lines espoused by the Economic Council.

(b) The second estimate raises these poverty lines by \$500, to take account of inflation. It should be recalled that the Council's calculations were based upon 1961 income data, and that consumer prices have advanced by 30 per cent since then.

(c) The third estimate raises the poverty lines by an additional \$500, to illustrate what might happen in these circumstances.

45. In addition to this range of refinements, we have made two assumptions with regard to the incentive effects of income guarantees, neither of which may be fully implemented. The less costly assumption is that everyone under the poverty line who currently works continuously to do so, and uses the G.A.I. as a supplement to earned income. The more costly assumption, on the other hand, is that everyone under the poverty line ceases to work and relies on the G.A.I. and other welfare benefits to make up the difference to the officially established minimum income. On the basis of the three assumptions regarding poverty lines and the two regarding the incentive to work, we have developed the following matrix of the additional cost to Canada of a guaranteed annual income.

TABLE 2
CANADA—ADDITIONAL COST OF
GUARANTEED ANNUAL INCOME¹
(million dollars)

Based on these poverty lines	if those below the poverty lines	
	Continue to work	Cease to work
1. The Economic Council ²	\$ 951	\$2,151
2. The Economic Council, plus \$500.....	1,520	3,429
3. The Economic Council, plus \$1,000.....	2,153	4,917

¹Sources: DBS 13-528 "Income Distribution and Poverty in Canada, 1967" DBS 93-609 Vol. II, "1966 Census of Canada, Households & Families" Calculations based on Chamber of Commerce Studies.

²See page 7 of this Brief.

46. These figures are enormous. The most favourable assumptions would still result in additional costs of about one billion dollars, or in an increase of 11 per cent in the nation's present welfare bill. However, it is possible that some on low income would take advantage of such a scheme and cease to work. Even more costly is the possibility that the low-middle income groups immediately above the poverty line would lose their incentive to work as well. The cost of this latter possibility cannot, of course, be included in these calculations.

47. To place these cost figures in a proper perspective, we have related them to the income of taxpayers who must in the final analysis foot the bill for welfare schemes. For this purpose we have selected the minimum poverty lines, have made separate calculations and have made two assumptions; (a) that the recipients will continue to work, and (b) that the recipients will cease to work. The additional cost of the programme will be in the case of (a) \$951 million, and in the case of (b) \$2,151 million.

TABLE 3
CANADA—ADDITIONAL COST OF
A MINIMUM G.A.I. TO INDIVIDUAL
TAXPAYERS
(based on 1967 income tax data)

	The cost of a minimum G.A.I. as a percent of the total income of individual taxpayer, according to whether it is borne by taxpayers with gross income of		
	\$7,000 or more	\$8,000 or more	\$10,000 or more
Assuming that people below the poverty lines:			
continue to work (\$951 MM).....	6.1%	7.8%	11.9%
cease to work (\$2,151 MM).....	13.8%	17.7%	26.9%

Sources: See Table 2, page 21.

48. The cost appears even more burdensome when it is related to the present income tax bill of individuals. This is illustrated by the following table.

TABLE 4
CANADA—ADDITIONAL COST OF
A MINIMUM G.A.I. TO INDIVIDUAL
TAXPAYERS
(based on 1967 income tax data)

	The cost of a minimum G.A.I. as a percent of the present individual income tax bill, according to whether it is borne by taxpayers with gross income of		
	\$7,000 or more	\$8,000 or more	\$10,000 or more
Assuming that people below the poverty line:			
continue to work (\$951 MM).....	38.4%	45.8%	61.7%
cease to work (\$2,151 MM).....	87.0%	103.5%	139.5%

Sources: See Table 2.

49. High though these figures may seem, it should be remembered that they represent the cost of income guarantees at the minimum poverty lines, with no allowance for cost of living increases or for the natural generosity of politicians. We do not claim that these figures are precise, given the imprecise parameters of the problem (work, no-work, varying poverty lines etc.), but given our assumptions they are better than ballpark figures. Because of the Chamber's interest in these matters, we conducted a seminar at our latest Annual Meeting (Halifax, October 1969 under the title "Welfare of Canadians and Canadian Welfare". We commissioned for that seminar a study by Prof. Otto Thér, then Chairman of the Department of Economics, University of Montreal, and now, as Honourable Senators know, Vice-Chairman of the Economic Council of Canada.

50. The study was a commentary on the Canadian Welfare Council's study "Social Policies for Canada—Part I". Prof. Thér's estimates for a G.A.I. programme range from, in round numbers, \$500 million to \$3 billion. The differences, of course, are accounted for in the tailoring of the G.A.I. plans. As a contribution to the Senate Committee's documentation, we are attaching to this Brief a copy of Prof. Thér's study.

Summary on Guaranteed Annual Income

51. Thus, it can be seen that the implementation of a guaranteed annual income can be extremely costly. Just as important, the specific effects of such a program on the poor, on wage earners and on the economy generally, have not yet been demonstrated. We have before us the example of Great Britain, with tremendous emphasis on welfare and cradle-to-grave benefits, and the condition of that country's economy in recent years is not one to emulate.

Some Views on Social Security for Canada

52. There will always be a need for protection against the hardship caused by unemployment, old age, sickness, death and other contingencies. Experience has shown that protection based on the insurance principle is effective, fair and economical. Canada in

some welfare policies has adopted the principle. This must be supplemented with programs for counselling, training, education and adequate housing.

53. At this point, there arises the question of priorities. This submission has concentrated largely on the distribution of incomes between the poor, the low, middle and upper income groups. But there is a larger question of the distribution of gross national expenditures between the three that will promote the most rapid rate of advance in living standards without sacrificing the great opportunities for the advancements in material well-being that are so clearly discernible over a decade or more.

54. The changes that have taken place during the short period of the decade of the sixties are evident in the table below.

TABLE 5
CANADA—SELECTED ECONOMIC INDICATORS AND FORECAST FOR 1975
(billion dollars)

	1959		1967		1969		1975					
	\$	% of GNP	\$	% of GNP	\$	% of GNP	Value			% of GNP		
Consumer Outlays.....	22.6	64.7	37.7	60.7	44.8	60.9	78.5	80.3	82.9	65.0	61.9	59.3
Consumer Savings.....	1.36	3.89	4.00	6.4	3.79	3.1	9.8	10.5	11.2	8.1	8.1	8.0
Gov't Spending excl. transfers.....	10.41	29.8	21.2	34.1	25.9	35.1	45.9			36.0	35.4	32.9
Business Investment..	5.16	14.8	10.27	16.5	10.55	14.3	20.3	24.4	33.0	16.8	18.8	23.6

SOURCE: The Canadian Chamber of Commerce Studies; D.B.S.-13-001; Nat'l Income Expenditure Accts.

55. If government expenditures increase beyond the rate of growth in the economy concomitant changes must occur in the incomes of other sectors of the economy. In the case of Canada, the group that have suffered most severely have been consumers. Consumer expenditures as a percent of gross national product have declined from almost 65 per cent in 1959 to less than 60 per cent today. Under any drastic redistribution of funds in favour of the state it is most difficult to improve the lot of the poor.

56. From a longer term standpoint this diversion of funds from the private to the public sector would have an even more ominous effect. Studies (Table I) have shown the amount of capital outlays that must be made

annually to achieve various rates of improvement in productivity in various levels of economic growth. The sums are truly enormous and it should be remembered that if there is one principle on which most economists agree, either on the left or the right, it is that the test of a viable and progressive economy is the amount of capital expenditures. The harsh fact is that based on our present productive capabilities the imposition of even a billion dollars to finance a guaranteed annual income on top of this upward trend of government expenditures would so adversely affect the level of savings that the amount of capital generated under such circumstances would be quite inadequate either to provide the additional plant capacity needed to absorb Canada's growing labour force or to permit

the adoption of the technological changes required for improved productivity, higher incomes and rising living standards.

57. Any group objectively concerned with the healthy growth of the economy and the well-being of the people must ask themselves whether the present trend towards ever-increasingly larger government expenditures is fair and equitable. If government expenditures could be reduced substantially or if a standstill arrangement could be agreed upon, then the country has the resources to affect a short-term improvement for the lot of the poor and the lower income groups without jeopardizing the long-term advance and the material well-being of all Canadians.

58. The issue facing Canada is whether those in government who would materially improve the lot of the poor and at the same time authorize huge sums for conservation of natural resources are themselves willing to take the initiative to institute the necessary reforms in the management of government affairs. To attempt to obtain the funds needed by any other means must, in the long run, worsen the conditions of those whose well-being they wish to improve.

CONCRETE, CONSTRUCTIVE PROPOSALS

59. As noted in the foregoing policy on SOCIAL SECURITY, (Page 3) the Chamber realizes keenly that there is a poverty problem in Canada and that the poverty cycle must be broken. Considering the fact that over 90 per cent of the jobs in Canada are with private employers, and considering the fact that over 60 per cent of those at the poverty level are employed, the Canadian business community, in our view, is one of the central and effective groups for dealing with this problem. It is already engaged, as noted in our policy, in making its contribution by way of providing employment, by way of training, retraining, industrial medicine, counselling, etc. Our President, J. Allyn Taylor, in his Presidential Address to our latest Annual Meeting in Halifax, said:

"As the Chamber addresses itself to the problems and the opportunities of Canada in the 1970's, let us do it in such a way as to banish any idea that the Chamber's unwritten motto is 'what is good for business is good for Canada'. We must hold firm to another version

that we can stand by with pride, 'What is good for Canada is good for business'. He also said, and this is our point: Business has no choice but to develop a total responsibility that addresses itself to the ultimate well-being of the country. That urges attach upon the desperate long-range needs of our people and our environment. Business must extend its standards of efficiency to social purpose, and The Canadian Chamber of Commerce should give the leadership that this involves". At the same Annual Meeting, the Chairman and Chief Executive Officer of the Bank of Montreal, G. Arnold Hart, spoke on the Social and Economic Responsibility of the Business Community, informing the Annual Meeting that the Bank of Montreal had been, over time, considering looking at the spectrum of society that is sometimes described as disadvantaged—not just economically, but physically, emotionally and socially. Specifically, what the Bank had in mind was to develop a rather small-scale pilot project in a major urban area of Canada. The objective would be to seek out young people who had never, either because of the lack of appropriate skills or because of an unsatisfactory environmental background, been able to establish a good employment record. Details of the programme would include a blend of remedial education, counselling and on-the-job training, with financial support during the process, and with the promise of a job at the end of the training period if they come up to the required standards.

60. The bank would share the results of its experience with any other employers who wished to embark on a programme with similar objectives. It has been made clear that this is not a recruiting programme for the Bank but rather a pilot project in a social programme area.

61. Another illustration of business expertise for social purposes is a project of Bell Canada to introduce current industrial training methods in the field of electricity and electronics, at the Collins Bay Penitentiary at Kingston, Ontario. The programme, of course, follows the Canadian Chamber's policy under the title "Rehabilitation". The project introduces electrical and electronics training

based on the programme used in the Bell Toll Area Plant Training Centre. The course for the inmates is being made far more comprehensive to meet demands of a wide variety of potential employers. Support of all levels of the Penitentiary Services has been encouraging and effective and the penitentiary psychologist is assisting with evaluation of the program.

62. All of the foregoing, in our view, give validity to a quotation from John Kenneth Galbraith: "To the best of my knowledge there is no place in the world where a well-educated population is really poor".

63. Sensitive, thoughtful and skilled manpower training will go a long way towards taking Canadians off the welfare rolls and providing those that are working, but are poor, with upgraded, well-paying employment. We speak for our membership in offering to co-operate with government, labour, education, etc., in placing our expertise at the service of the poor.

CONCLUSION

64. In conclusion, it should be repeated that every individual in Canada should have an opportunity to attain a standard of living adequate for the health and well-being of himself and his family. And the best guarantee of high and rising incomes for all Canadians is a high and rising level of economic activity. To this end, government policies must create an economic environment which favours growth, in terms of proper monetary policy, reasonable fiscal policy and realistic commercial policy.

65. Such public policies together with a sensible, selective approach to Social Security will give Canada a strong, dynamic economy with high and rising productivity, and more than enough goods and services to go around.

66. One thing is certain—we will not achieve our economic goals if we saddle ourselves prematurely with programs unrealistically burdensome. We must never lose sight of the fact that the income we are seeking for is not money as such but the production of goods and services. And on this point, the words of the American economist and journalist Henry Hazlitt are very apt: "The only real cure for poverty is production. The way to maximize production is to maximize the incentives to production".

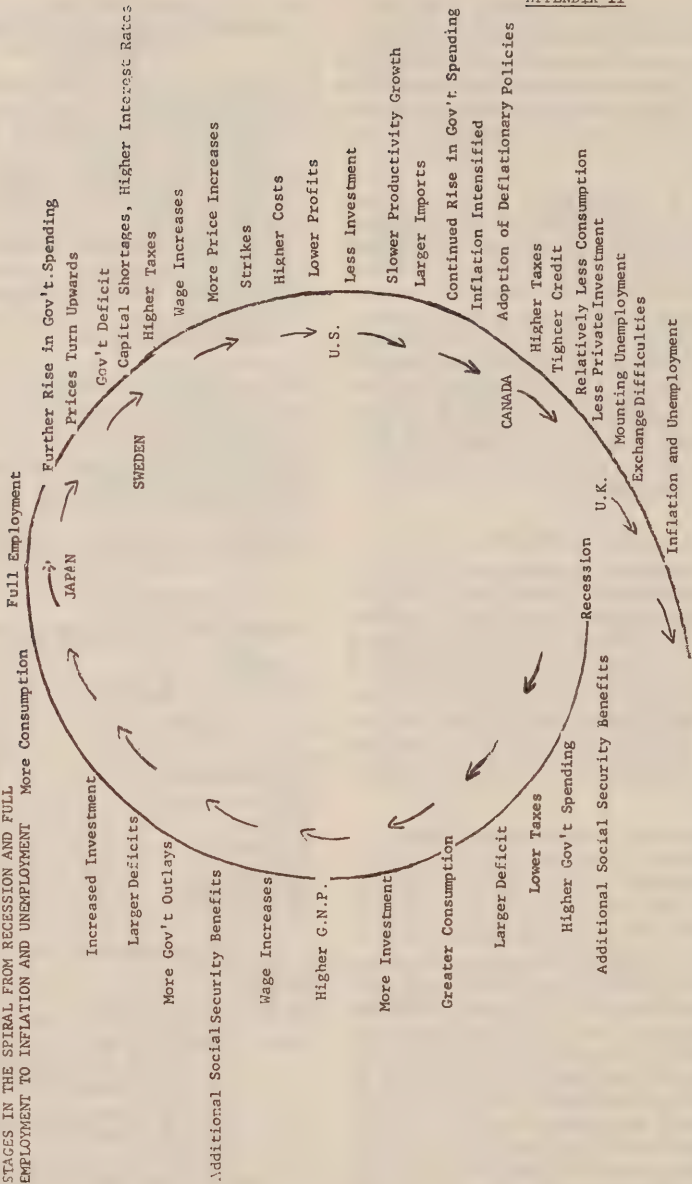
APPENDIX 1 CANADA—OUTLAYS FOR HEALTH AND WELFARE (\$ millions)

Federal Outlays, 1969-70	
Outlays governed by some needs test	
Guaranteed income supplement to old age security.....	\$ 280.0
Canada Assistance Plan.....	300.3
Old Age Assistance, Blind, Disabled....	8.4
Vocational rehabilitation, disabled persons.....	5.5
Manpower mobility.....	8.1
Adult occupational training allowances.....	134.0
Student loans.....	13.2
Assistance to settlers.....	2.5
Slum clearance, housing project losses....	31.9
War veterans.....	116.5
Indians and Eskimos.....	183.8
Welfare services and research.....	12.9
Sub-total.....	\$1,097.1
Outlays not subject to a needs test	
Old Age Security.....	1,480.0
Family Allowances.....	559.4
Family assistance.....	5.1
Youth allowances.....	53.8
Assistance for post-secondary education.....	328.0
Adult occupational training.....	121.7
Unemployment insurance (incl. \$14.2 MM in rebates to Quebec for opting out).....	590.0
Manpower development and utilization.....	60.7
Manpower program development and research.....	12.4
Regional development.....	92.0
Cape Breton development.....	35.5
Hospital insurance (matching provinces—Quebec equivalent \$295 MM for opting).....	625.0
Medicare.....	370.0
Health grants, research.....	55.3
Sub-total.....	\$4,388.9
Federal total.....	\$5,486.0
Provincial Outlays, 1969-70	
Prince Edward Island.....	10.6
Quebec.....	1,161.3
Ontario.....	1,008.0
Manitoba.....	116.3
Saskatchewan.....	112.3
Alberta.....	214.5
New Brunswick.....	55.1
British Columbia.....	296.4*
Nova Scotia.....	83.1
Newfoundland.....	61.5
Provincial Total.....	3,119.4
Municipalities, 1968	
All cities.....	130.0
Total, all Canadian governments.....	8,735.4

SOURCES: Federal government—K. H. Rapsey, C.M.A. Committee on Welfare, December 22, 1969. Based on Canadian Tax Foundation Material.
Provincial—D.B.S. 68-205, Provincial Government Finance, 1969. Tables 2 and 4.
Municipal—Based on D.B.S. 68-203, Municipal Government Finance, 1968 data, minus adjustments for transfers from Provinces—68-205, 1967.

*—estimated

THE IMPACT OF GOVERNMENT POLICIES ON A NATION'S ECONOMIC DEVELOPMENT, ILLUSTRATED BY THE VARIOUS STAGES IN THE SPIRAL FROM RECESSION AND FULL EMPLOYMENT TO INFLATION AND UNEMPLOYMENT



APPENDIX III
CANADA—PROFILE OF INDIVIDUAL TAXPAYERS FOR 1967

	Number	Total Income		Taxable Income		Income Tax		Total Inc.-Tax		Taxable Income	
		\$MM	Per Cap.	\$MM	Per Cap.	\$MM	Per Cap.	\$MM	Per Cap.	Inc. %	Total %
All Taxpayers.....	6,655,683	\$36,241.9	\$ 5,445	\$22,381.6	\$ 3,363	\$4,190.5	\$ 630	\$32,051.4	\$4,816	61.8	11.6
\$0-\$300 Group.....	1,665,920	3,439.5	2,065	1,327.9	797	164.9	99	3,274.6	1,966	38.6	4.8
\$0-\$3500 Group.....	2,193,477	5,153.5	2,349	2,202.0	1,004	283.3	129	4,870.2	2,220	42.7	5.5
\$0-\$4000 Group.....	2,692,397	7,024.5	2,609	3,200.4	1,189	425.2	158	6,599.3	2,451	45.6	6.05
\$10,000+ Group.....	495,767	8,003.2	16,143	6,194.6	12,495	1,542.1	3,111	6,461.1	13,033	77.4	19.3
\$8,000+ Group.....	966,923	12,169.2	12,585	9,001.6	9,310	2,078.0	2,149	10,091.2	10,436	74.0	17.1
\$7,000+ Group.....	1,425,013	15,586.0	10,937	11,192.6	7,854	2,473.6	1,736	13,112.4	9,202	71.8	15.9

SOURCE: Dept. of Nat'l Revenue. Taxation; Taxation Statistics (1967 Tax Year) Table 2.

CANADA—COST OF BRINGING TAXPAYERS UP TO SPECIFIED POVERTY LINES
(Based on 1967 tax data)

	\$3,000 Poverty Line	\$3,500 Poverty Line	\$4,000 Poverty Line
Maximum amount—everyone under the line stops working, depends on G.A.I.....	\$4,998 MM	\$7,677 MM	\$10,770 MM
Median Cost—everyone under the line keeps working, uses G.A.I. as supplement.....	\$1,558 MM	\$2,524 MM	\$ 3,745 MM
Minimum cost—median cost minus family allowances (for 1969-70 = \$562.4 MM).....	\$ 996 MM	\$1,961 MM	\$ 3,183 MM

CANADA—COST OF G.A.I. AT VARIOUS POVERTY LINES RELATED TO \$10,000 + TAXPAYERS

	\$3,000 Poverty Line		\$3,500 Poverty Line		\$4,000 Poverty Line	
	As a % of Present Tax Bill	As a % of Present Gross Income	% of Tax Bill	% of Income	% of Tax Bill	% of Income
Maximum.....	324%	62%	498%	96%	698%	135%
Median.....	101	19	164	32	243	47
Minimum.....	65	12	127	25	206	40

CANADA—COST OF G.A.I. AT VARIOUS POVERTY LINES RELATED TO \$8,000 + TAXPAYERS

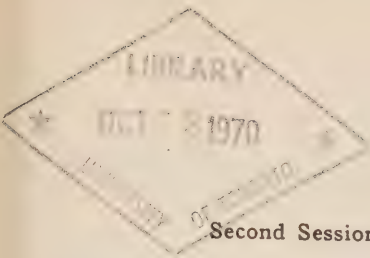
	\$3,000 Poverty Line		\$3,500 Poverty Line		\$4,000 Poverty Line	
	As a % of Present Tax Bill	As a % of Present Gross Income	% of Tax Bill	% of Income	% of Tax Bill	% of Income
Maximum.....	241%	41%	369%	63%	518%	89%
Median.....	75	13	121	21	180	31
Minimum.....	48	8	94	16	153	26

CANADA—COST OF G.A.I. AT VARIOUS POVERTY LINES RELATED TO \$7,000 + TAXPAYERS

	\$3,000 Poverty Line		\$3,500 Poverty Line		\$4,000 Poverty Line	
	As a % of Present Tax Bill	As a % of Present Gross Income	% of Tax Bill	% of Income	% of Tax Bill	% of Income
Maximum.....	202%	32%	310%	49%	435%	69%
Median.....	63	10	102	16	151	24
Minimum.....	40	6	79	13	129	20

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Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 52

MONDAY, JULY 6, 1970

WITNESSES:

Mrs. Dorothy Wyatt, City Councillor, St. John's, Nfld. Newfoundland Co-operative Services. Newfoundland Fisherman's Federation. The Householders' Association of Mundy Pond. Canadian Federation of University Women. The Extension Dept. of Memorial University. The Blackhead Road Householders' Union.

(See the MINUTES OF PROCEEDINGS for the names of the witnesses who were heard by the Committee.)

APPENDICES:

"A"—Brief submitted by Mrs. Dorothy Wyatt, City Councillor of St. John's, Newfoundland.

"B"—Brief submitted by the St. John's Club of the Canadian Federation of University Women.

"C"—Brief submitted by the Extension Service of the Memorial University of Newfoundland.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche,</i> <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

St. John's, Newfoundland,
Monday, July 6, 1970,
Star Hall.

Pursuant to adjournment and notice to Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll (*Chairman*); Carter, Cook, Eudes, Fournier (*Madawaska-Restigouche*), Hastings, Inman, McGrand and Quart—(9).

In attendance: Mr. Frederick J. Joyce, Director; Hon. Stephen A. Neary, Minister of the Department of Social Services and Rehabilitation of the Province of Newfoundland.

It was proposed by the Honourable Senator Carter and unanimously

RESOLVED:

That the statement made in the Senate by the Honourable David A. Croll, Chairman, on Thursday, June 25, 1970, be printed as part of the record of the proceedings of the Committee.

The Interim Report referred to above will be printed as Proceedings No. 53.

The following witnesses were heard:

Mrs. Dorothy Wyatt, B.A., B.Ed., B.N., R.N., City Councillor, St. John's, Nfld.;

Mr. Augustus Whalen;

Mrs. Pauline Evans;

Mrs. Augustus Whalen.

NEWFOUNDLAND CO-OPERATIVE SERVICES

Mr. W. O'Driscoll, President;

Mr. W. E. Benedict, Managing Director;

Mrs. Mary Mercer.

NEWFOUNDLAND FISHERMAN'S FEDERATION:

Mr. Ray Riché, Vice-President and unofficial mayor of "Outer Battery";
Mrs. Caroline Barfoot.

THE HOUSEHOLDERS' ASSOCIATION OF MUNDY POND:

Mr. Roy Upshall;

Mr. James Shea;

Mr. John Locklyn.

At 12.15 p.m. the Committee adjourned until 2.00 p.m.

At 2.00 p.m. the Committee resumed.

Present: The Honourable Senators: Croll (*Chairman*); Carter, Cook, Eudes, Fournier (*Madawaska-Restigouche*), Hastings, Inman, McGrand and Quart—(9).

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

CANADIAN FEDERATION OF UNIVERSITY WOMEN:

Mrs. D. H. Rendell, B.Sc., Ph.D.;
Mrs. M. G. Rochester, B.S.W.;
Rev. Ray Tucker, United Church;
Miss Stella Bury;
Mr. John McCarthy;
Mr. Anthony Ryall;
Rev. Alison Fraser, United Church.

At 3.15 p.m. the Committee adjourned to Memorial University.

A brief was submitted to the Committee by Professor Donald Snowden, Director, Extension Department. As part of his submission, films and videotapes regarding Snug Harbour, Mary's Harbour, Port Sanders and Port au Choix were shown.

At 5.45 p.m. the Committee adjourned until 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Croll (*Chairman*); Carter, Cook, Eudes, Fournier (*Madawaska-Restigouche*), Hastings, Inman, McGrand and Quart—(9).

In attendance: Mr. Frederick J. Joyce, Director.

The following witnesses were heard:

THE BLACKHEAD ROAD HOUSEHOLDERS' UNION:

Mr. James Barry;
Mr. Gus Breen;
Mr. James Vinnicombe;
Dr. B. Bhattacharya;
Mr. Len Hyslop;
Mr. Ed. Harlick;
Mr. William Clarke;
Mr. Frank Galgay;
Miss Freda Berry;
Mr. James Williams;
Mr. T. Ryan;
Mr. Cecil Warford;
Mr. Walter Carter, M.P.;
Miss Eleanor Batten;
Mr. William Druken.

At 9.45 p.m. the Committee adjourned until the following day, Tuesday, July 7, 1970.

For the next two days the Committee carried out its investigation as two separate Sub-committees:

Sub-committee "A", Honourable Senator Croll (*Chairman*);

Sub-committee "B", Honourable Senator Carter (*Chairman*).

Sub-committee "A" covered Fogo Island, Cox's Cove, Stephenville, Port au Port and Corner Brook.

Sub-committee "B" covered the northern peninsula to St. Anthony and the southeast coast of Labrador.

The following briefs presented to the Committee were ordered to be printed as appendices:

"A"—Brief submitted by Mrs. Dorothy Wyatt, City Councillor of St. John's, Newfoundland;

"B"—Brief submitted by the St. John's Club of the Canadian Federation of University Women;

"C"—Brief submitted by the Extension Service of the Memorial University of Newfoundland.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

ERRATA

Pursuant to a request made by Mr. I. A. McDougall, Director, Community Legal Aid Services Program, with regard to his opening remarks before this Committee, it has been ordered that the proceedings of this Committee dated Wednesday, March 11, 1970 (No. 27), afternoon session, Pages 27 and 28, containing the opening remarks of Mr. McDougall be deleted from the record and replaced by the text which follows.

Mr Chairman and Honourable Senators:

The precept of legal equality has been given so much lip-service that it has become an obscured platitude readily accepted by all. But, in reality, it remains a distant objective with forbidding concomitant dependancies in the social and economic spheres. Rural and urban poverty do much to impair installing equal recourse for all citizens. Perhaps nowhere is this assertion better illustrated than in recent criticism of legal aid programmes in the U.S., Great Britain and Canada. One such report, a working paper for the U.S. 1965 Conference on Law and Poverty, enumerated four factors impeding efforts to provide legal assistance of the poor. These are as follows:

1. failure of indigents to discern many of their problems as being legal in context;
2. low visibility of existing legal aid services;
3. social and spatial remoteness of the lawyer and his service;
4. fear of reprisal.

On the basis of these factors it is apparent that one of the pre-conditions to a viable legal aid scheme aimed at promoting legal equality to reality status, must be to actively convince indigents that remedies are often available. A U.K. report suggested five areas where the law can be of use in alleviating the plight of impoverishment: These were:

1. criminal representation;
2. family legal counselling and representation;
3. landlord-tenant relations, personal injury and damage actions in tort, consumer protection;
4. property law, including estate planning.

Within each category it is apparent that existing legal aid measures are, to varying degrees, deficient. For example, in the criminal area, refusal to grant bail for anything but financial security obviously disadvantages the indigent defendant. Unnecessary confinement may also have a toll upon his dependants as well (who may be forced into welfare reliance). Further, the Ontario Report of the Joint Committee on Legal Aid implied that such confinement may only serve to encourage uninformed pleas of guilty and thus undermine the effectiveness of the criminal process.

Regarding family legal assistance, some commentators have been tempted to assert that the preponderant aid problems facing the poor are matrimonial, and otherwise the ills of poverty are psychological, social, and economic, and are

beyond the scope of the law. Such a conclusion is naive. It takes no account of the fact that here the legal ramifications of a matrimonial problem are hard to avoid for even the most unknowing, and the law has a corner on most viable solutions. The indigent is therefore forced into a legal confrontation despite possible distrust of the law. This is hardly the case in areas such as consumer law, landlord and tenant, and welfare administration. Legal recourse in such areas is a rare alternative to enduring the apparent power of the vendor-creditor, landlord, or welfare bureaucrat.

As respects consultative areas, the availability of legal expertise is unknown to most of our poor. Existing legal aid is biased in favour of the litigant. In this area the service is, in jurisdictions such as Ontario, impressive. Legal equality however embraces more than mere representation at the remedial level. Higher income groups seek out consultation on a preventative basis perhaps more often than with ultimate court action in view.

It is suggested on the basis of the foregoing that the mere fact of a legal aid scheme such as Ontario's being demonstrably statistically successful is no proof of it having satisfied the legal needs of provincial indigents. It is suggested that the jurisdiction of legal aid must be considerably extended if it is to service the objective of legal equality. Basically it must take on a more active characterization: put another way, it must begin to "generate jurisdiction". In this regard perhaps six recommendations might be made for an improved scheme;

1. the creation of community legal aid centres;
2. active efforts to probe the legal needs of the poor employing such devices as educational-advertisement campaigns as to legal rights in those areas discussed above;
3. a broad range of service offerings (e.g., consultation, administrative appeals, sundry claims, etc.)
4. integration with existing community services where possible;
5. evening service;
6. eventual adoption of statutory provisions defining a broad range of duty.

While there are a host of social and professional difficulties associated with the above suggestions (not least of which concerns professional management, finding the labour, funding, and wage effects), it would be absurd to delay acting upon an expanded scheme simply for the difficulties involved. Legal equality implies the democratization of justice which is probably fundamental to the survival of the system of law in the long run. In this context costs are perhaps no criteria for procrastination.

Ian McDougall

THE SPECIAL SENATE COMMITTEE ON

POVERTY

EVIDENCE

St. John's Newfoundland.

Monday, July 6, 1970.

The Special Senate Committee on Poverty met this day at 9:00 a.m.

Senator David A. Croll (*Chairman*) in the Chair.

The Honourable Stephen A. Neary, Minister of Social Services and Rehabilitation, Province of Newfoundland: Mr. Chairman, members of the Special Senate Committee on Poverty, and ladies and gentlemen, you did not come all the way from Ottawa to Newfoundland to listen to long speeches. I know you are anxious to get on with your business of the problems of poverty. On behalf of the Government of Newfoundland and Labrador, Canada's newest province, I welcome you, and hope that your visit will be most enjoyable.

The Chairman: Thank you for your words of welcome. We have come from Ottawa on behalf of the Government to give you a considered view of the problems of Newfoundland as they are, and to improve our understanding of them. I am sure that after we have completed the hearings here we shall have a far greater understanding of the problems.

I think I should say to the people who are here that we are the Special Senate Committee on Poverty. The committee is representative of every province, and there are two distinguished members from Newfoundland, Senator Carter and Senator Cook, both of whom have made valuable contributions and done creditably good work on the committee. We have already visited five provinces and have five provinces yet to visit, along with the Yukon.

The House of Commons and Senate adjourned on June 26, after a very long and tiring session, for the holidays. We on this committee decided that as there was no holiday for poverty there would be none for us. We are using our holiday time by enjoying the pleasure of meeting our fellow Canadians in their own backyard. One of the things that has come out of the committee and been most helpful is that people who have problems are beginning to participate and become quite active. We hope they will no longer be part of the problem but will be part of the solution. I think it well for you to know that the Senate

Committee on Poverty was the first group to leave Ottawa and go out and ask people for complaints and what they had to say. In the early days we took our lumps but we had a purpose in mind.

You see the members of the committee. All are here today and have good reason for it, for most of us on the committee have known poverty, and some have known poverty, in the gentle sense, so we quite understand the problems which affect the people here in Newfoundland and in other parts of the country. We hope to conclude our hearings in October.

Every once in awhile you have people who make world-shattering proclamations, who think that they know poverty, but we are having difficulty finding a solution that is acceptable across the country. You know that poverty has many different faces—all ugly and all intolerable. The welfare system, as we know it now, is a mess and we must find some solution to it; but you must appreciate that the welfare system we know now was set up in the early thirties to meet a different problem in different circumstances. It was never intended to be an anti-poverty program. It does not help these people who have been immersed in poverty. We know that the great obsession of people in dire straits is for jobs. When those jobs are not available we have to look for alternatives, and the alternative that appeals to most people is an income for every Canadian. So we are charged with a great responsibility of presenting a report which will make one people out of a nation, which will be a challenge to people, and which will ask them questions: Do we want to end poverty? Do we have the means? Do we have the will? It may be that as a result of our report the Government will have to make commitments that are well ahead of some of the things in this country and they will have to be commitments for tomorrow.

To begin with, I want to put on record the interim report I made to the Senate on Tuesday, June 25.

Hon. Senators: Agreed.

The Chairman: Our first witness today is Mrs. Dorothy Wyatt, who is well known to you. She has a brief that she will be presenting, and I will ask her now to speak to you.

Mrs. Dorothy Wyatt, Councillor, St. John's City Council: I will talk about poverty and I think before I begin I will give you the definition of poverty which I intend to follow in this brief. Poverty can be defined as the absence of opportunity for the comprehensive development of the maximum potential of the individual. Now there are many ways of looking at poverty and I expect as this special committee goes across Canada it will meet many different forms of poverty. In terms of people who are poor it is food and shelter. The result of not having enough to eat is that you get deficiency diseases and I, as a nurse, have seen these deficiency diseases. Certainly your income dictates where you are going to live. Health workers show you the proper way to live. We even get very evangelical about what you are going to eat. We tell you how to modify your diet to show you what is right to eat. What happens in the schools? We are still learning the importance of the Reformation and World War 1, but nobody tells us anything about how to take care of a home, how to raise a baby, or how to prepare a diet.

Now there are areas in this city, ladies and gentlemen, where people receive their water supply by truck and they have a night cart to carry away the excreta. It is very difficult to talk about sanitation when you have this situation. Then we have our people who are living in overcrowded homes and these homes very often are rented from the affluent society, who rent them through rental agencies. You have to live there and this is why I say, when it comes right down to it, it is a matter of dollars and cents. Thus, I suggest that poverty should have an economic priority in its interpretation. That is, that cultural poverty, social and psychological poverty, are in direct proportion to the amount of money you have. First of all, you have to have food, clothing, and shelter. How can you pursue the cultural activities of the city without the admission fee?

Politics—that is my field. What I find in politics is that in the very areas where we have problems associated with poverty, they are not dealt with from an economic viewpoint. We came into Canada under the British North America Act, and this Act says there are certain priorities left to the provinces and this is where we have our problem. I say we cannot have a national approach to poverty, we must have a joint effort. You, ladies and gentlemen, did not create the poverty, I did not create it, but let us face it, it is there and while we are trying to sort out how people are to be helped, one government passes it on to another, and they to another, and so on. All the time, people are hungry and are going on being hungry. So, I think that this is the most important thing because I believe that by the time the recom-

mendations of this committee are made, as worthy as it started out to be, there will be a lot more hungry people.

That was the cause of poverty as such, but how do we know how many people are poor? We have statistics on the number of people receiving social assistance and workmen's compensation but what about these statistics for the proud poor, and I suggest there are a lot. Many of these people speak to me; I am in touch with the community. They say that they have always been able to manage strictly through the good use of resources but now that they do not have any additional resources to meet the increased cost of living they cannot manage. They are too proud to ask.

It is no secret: people are moving to the city and: therefore we are going to have more poor people in the city, certainly in terms of people affected by automation. Unless there are facilities for the retraining of people, certainly you are going to get more poverty within that group.

What about women? As you know, I am carrying on a private war on behalf of the people of Newfoundland for equal pay for equal work and human rights legislation, and you have heard all the justification for that. I have challenged the Minister of Labour to debate but he has backed down. Surely the Minister of Labour is the man to start this. How can women prepare for their own retirement, in many cases on a reduced salary? So this I suggest will make more poverty among women.

How do you solve the poverty? I would like for you to spend a day with the public health nurses, social workers and clergymen and spend a day with the educators of our youth who could make you aware of the realism of poverty. There are many levels of poverty in this province but conditions have improved here since we became part of the Canadian nation. Certainly we share many of the good things, and we call the baby bonus, old age pensions, and medicare good things, because it has put money in the pockets of Newfoundlanders.

University is still a privilege for many people in Newfoundland. Poor people can send their children to university but I suggest there is a detriment there because they do not have an opportunity to get the proper education because they hit what I hit in university and that is, the university is more concerned with attaining its status from the number of published papers and the impressive lists of research projects pursued in the institution. The last fellow down on the level of education is faced with the first-year students. Let us get those highly educated professors back with the first-year students who need all the help they

can get. I suggest this contributes to the drop-outs. First year students are left with the teachers with B.A.s while the teachers with higher education are not in touch with first-year students. Perhaps that is why we have foundation year at our university.

We dump fish in our harbours and wheat sits in the barn. You know, how realistic this is. You pay us not to grow wheat. I am not a farmer but I have been watching and reading and we are starving and at the same time we are storing up wheat. Why cannot this be sold at cost with positive subsidies? What we are doing now is a negative approach. I would suggest that far more competent men in economic circles should put their minds to this problem.

A cheque will not solve anything. I think some people should be sent a daily food order with a menu. They should not be condemned, but they do not know how to manage their money. It is up to us to help them. We should have social workers and nurses get down with these people and talk with them, show them how to prepare their food.

Where is the incentive to go to work? Salaries, are not as high as assistance.

DREE is a political gimmick—a vote-getting thing. We get a few votes here and there, but it wasn't carefully planned. We went through communications, now it is pollution. We have a system here where as long as we can get 100 jobs we will sell our souls. We do not see the long-range problems associated with industry. A hundred jobs now with the inherent cost of pollution should be viewed with long-term economic results. Across Canada they are meeting this problem in a much smarter way than we are. I understand in British Columbia no such thing is allowed, but we are still doing it at the subsequent cost of pollution. The St. John's Harbour is polluted and the cost of correction is beyond the ability of its citizens to pay. Then we read about the *Bonaventure* being refitted when she was slated for retirement. The war situation has not changed that much in a few years, and we think we could have used the money which was spent on the "Bonnie" to help some of our sewage problems. We could have spent it very wisely down here.

And what about housing? I made a statement I think was applicable. We are living in a generation where it is noble to give but shameful to receive. We tend to move the poor to a designated locality complete with label. We call it subsidized housing. Now I have seen a lot of people who do not own their own homes, but how can they if they are out looking for the down payment. Where are the 40-year mortgages contemplated ten years ago in economic circles? Let us start with what can be done and

it seems to me that this could be done. Let us not make an exclusive street of shell housing. Across Canada people are having tenant associations. I suggest that if we did our thing we would not need tenant associations. We would be giving the leadership that people thought we would give when they elected us to office. In the downtown area of St. John's the semi-affluent are renting homes. These are firetraps, one bathroom for 21 people. And I know, and I can give you the address.

I do not think people can live any longer in terms of Workmen's Compensation and veterans' allowances and in terms of school construction. We have a large population, a growing population, in spite of the pill. The simple fact is that we cannot afford to meet the cost of educating an increasing population. Everyone looks to the church. Over the years it must not be forgotten that Newfoundland churches provided education. The churches are broke, and it is a fallacy to say the church can do it. I think we need help with the provision of school facilities.

I think there should be more man-to-man relationships by people who are rich with people who are poor. I have brought some people with me who have experienced the problems we talked about.

I have a man, his wife and eight children. This man is feeding his family on \$27 a week. The man left school at Grade IV. He went to night school; he worked in the day and he went to school at night, and got Grade X. He went to the Trades College, and he told me that on opening day about \$17,000 was spent on a ribbon-opening ceremony while the people who attended could not pay for their books. That man thought that that \$17,000 could have paid for books. This man represents the problems that we as politicians make. He could not stay at this vocational school. He went back to work. Everyone he saw said, "Go to Wabush." So he went to Wabush. Out of his earnings he had to pay rent at Wabush and rent at St. John's. He could not afford to do this so he had to come home. He went to the Minister of Labour, he went to the Minister of Welfare. The Minister of Welfare told him that he looks after his own district, which is Bell Island. He had a small piece of land and when he tried to build on this land (75 foot frontage and 200 foot rearage) he was told he could not build on it. He cannot sell it because nobody else can build on it. He went to Bell Island last year and took a heavy duty mechanic's course. He went to Manpower. They said, "No, my son, you can't get a job, you don't have any experience." I ask, what is the incentive for a man who tries?

Then I have a lady here who has 13 children. She has children living away. She could go

away and live with these children but she has a boy who is retarded. She needs to look after him because he needs additional help around the home. She is staying here on practically nothing. There are nine people in this unit where she lives. She is paying \$85 a month for a couple of rooms which she furnishes herself and she has to stand in line with nine people in the morning to go to the bathroom. She is a widow. She is living in one of these places which is sealed up and looks pretty good on the outside, but the rats are inside the walls. She has no additional income. Her family have only enough to raise their own families. And, I would suggest this is where family life has changed and this is a type of problem which we have.

I have here also a young girl with two children and she said to me, "I don't see no sense in getting married because all I see around me is people splitting up." Her mother and father are separated. She is trying to feed her children on \$15 a month. Her place, what is it like? It is leaky, they have overcrowding, and they have no place to put the babies out to play, and no place to dry clothes. They have been after the landlord and that is what happens, you get after the landlord and he is renting through a rental agency. I suggest serving on a committee. I have asked for such a committee to counsel these people and it has not been appointed. People who want to could form an association representing all the people on Welfare so that they can stand up to the bureaucracy they are meeting. They would be doing this out of dedication to their families because they do not want their families to starve. And that, ladies and gentlemen, is my submission.

The Chairman: Do any of the senators have any questions?

Senator Carter: I would like to start out Mr. Chairman. Mrs. Wyatt mentioned that we should be out with social workers and nurses, and I think we should make it known we have done this. We have gone out in Ottawa, Doctor McGrand and myself, several of us have gone out, gone with them, gone through their routine.

Mrs. Wyatt: I am delighted to hear that because that is getting down to the bare bones of it.

Senator Carter: Here in St. John's, as the Chairman pointed out, poverty means different things to different people. And, in different parts of Canada, rural poverty is different from urban poverty. Poverty of the Indians and Eskimos is different from the poverty of other groups. We are looking for solutions.

Nobody has a monopoly on poverty. The purpose of our coming here is to see if we can find any new angles—something we have not come across before. Now I would like to ask you here, does the City of St. John's have a welfare fund?

Mrs. Wyatt: No, it is all paid for by the provinces with assistance from the federal. We are not autonomous in the City of St. John's. Our City Act, if we want to have a law put in it, it must go through the provincial legislature, so it is a custodial kind of supervision we have in the City of St. John's. We have a big problem here which I would not elaborate on. People felt that rail and ferry service should be subsidized. Across Canada they have the same problem—their bus system cannot be supported by the people who live there. If we can put our money into rail and ferry I suggest this is a new area and rural to urban has replaced this system of coastal boats. I know we need our ferry but we must also get our people downtown and our bus service is so bad, mostly due to economics.

Senator Carter: As a councillor, in relation to this question of poverty in St. John's, you mentioned some things you are doing. This is fine, all part of the answer. Have you any more than that? What do you see as your role as councillor in City Council?

Mrs. Wyatt: I see my role as representing the people, whatever the need. I am doing my thing as a councillor using this avenue, or any avenue I can get, to bring this to a solution. I work with any group who seem to have a problem. I am involved in a recreation committee and this is part of the development of the individual and in terms of planning their city. I did city planning at university and I am attempting to use this information in an informed way. If you have a subdivision, you have to have playgrounds and you would be surprised at the number of people who think you do not. There is no set role as I see it. Then again, we are quite restricted because we lack autonomy in our City Act. Again, it is custodial.

Senator Carter: You talk about priorities. What is your idea of the priorities that should be pursued in Newfoundland? If you were the Minister of Welfare and had \$400,000 to \$500,000 to spend on welfare what would be your priorities?

Mrs. Wyatt: My priorities would be to have the people involved. I would like to have committees right across this province where the poor people, the rich people, and the govern-

ment could work together. The government must come into the committee rather than override the committee because, as I said, there are some people flagging welfare and the Minister of Welfare is condemned if he does not do something about this. I suggest using the poor to help themselves and for us to get away from this missionary approach that used to be. Let us now feed the starving and then talk about saving their souls. With these groups working together let us ask them how to spend that money in that particular area.

Senator Carter: You would allocate on a per capita or district basis and have a committee to decide how the money was to be spent?

Mrs. Wyatt: Yes, I would. The picture changes—they are poor today, the man gets a job tomorrow. How do you get that kind of change into the papers? And I suggest the welfare officer or social assistance leader in a particular place be the leader. This is government leadership. I do not mean it has to be the minister because people have to have day to day communication. Under this you have voluntary groups. Here is an avenue where the churches can come in. They are very resourceful people, very enthusiastic.

Senator Fournier: I would like to ask a question to the gentleman supporting his family on \$27 a week I understand you went to Wabush?

Mr. Augustus Whalen, Labourer, St. John's: That is right.

Senator Fournier: What was your salary?

Mr. Whalen: I was hired as a labourer at \$1.75 an hour. Down there I had to pay \$75 a month for rent plus send \$64 a month home to our subsidized rental unit. Now this was based on your salary. If you received \$325 a month your rate was 20 per cent. After you went out of \$325 the rate jumped to 30 per cent. That could not last. I was not getting out of the hole. I couldn't provide for my family so I had to come home.

Senator Fournier: Then you took a trade?

Mr. Whalen: Yes, I tried once in 1963. There was no subsistence paid by Manpower. I was getting \$27 a week. However, the government found around \$17,000 for an official opening and another \$3,000 or \$4,000 for fire-works. If that was not stupidity, then it was injustice.

Senator Fournier: What courses did you take?

Mr. Whalen: A nine month course in heavy duty mechanics.

Senator Fournier: Had you any trade before that?

Mr. Whalen: No, I had very little to do with automotive mechanics.

Senator Fournier: How old are you?

Mr. Whalen: Thirty-seven. Last year the St. John's Transportation Commission had openings for drivers. Everything looked good. I had a good driving record. When it came to the question of age, everything halted. I was 37 and they didn't hire anyone over 35. Last week I saw an ad for Health Inspectors. Anyone 34 or over disqualified because the age limit was 33. Can you give me answers to this?

Senator Fournier: That is news to us.

The Chairman: We are learning something new.

Senator Inman: Have you any law covering equal pay for equal work?

Mrs. Wyatt: I have the statutes. In the department stores here, and just about every department store, women are getting less than men. For instance, if I am serving shoes in the female department, I will make less than a man serving shoes in the male department. I suggest there is no other factor than strength of people involved here. The percentage I do not know. It would be the number of people working because people are not paying equal pay.

Senator Inman: I asked a businessman about this and he said it takes time and money to train a person in a store. Women do not stay, whereas a man is liable to own that job because he has a home and family and thinks twice about his family.

Mrs. Wyatt: What did you answer?

Senator Inman: I had no business training. I said, "Well, I have seen that in my experience." He was a complete businessman.

Mrs. Wyatt: Well, they say women retain their jobs, stay in their jobs, longer than men. Men in this particular job are more mobile, and it is their comments which I am quoting. I think frankly it is a lame excuse. I brought my daughter with me this morning. We have been federated for two years. I feel that by the time that she is ready to go to work, we may get it.

The Chairman: You know we do have laws for equal pay for equal work.

Mrs. Wyatt: In Ontario.

The Chairman: In Ontario and in some other provinces. It is very useful.

Mrs. Wyatt: Well sir, I have been told that \$1.75 came in yesterday at the federal level for men and for women.

The Chairman: In all fairness, that is a provincial matter, as you well know. It also has some municipal overtones. So you are making a charge this morning that we cannot do much about.

Mrs. Wyatt: My reason in bringing it here is to let the rest of Canada know what it is like in Newfoundland. We have an act sitting there waiting to be proclaimed.

Senator Quart: I wish to congratulate Mrs. Wyatt. Surely the women in the department stores which you mentioned could get together with the men who would support you and then you would see something happen.

Mrs. Wyatt: This is coming because labour groups are taking an interest in this. They have an election coming up. I am after people to do this.

Senator Quart: Please do not go out and say women are going to do it. Go out and get ten workers and I am sure you would get people to join you.

Senator McGrand: On page 2 you refer to "affluent society." Now this is not a new term to us. We hear this in every place we have gone. It is hard to estimate the number of houses in a city the size of Montreal or Vancouver but in a city the size of St. John's could you give us what percentage of homes are in this category—hundreds or thousands?

Mrs. Wyatt: Yes, we have thousands, and I would base my observations on anything that rents at \$50 or less. The Welfare Department bases it on \$50 and I have been in many of these, with their rats and leaky facets. On the bottom floor you have a grate, on the second floor you have oil, and on the third floor you have another grate with funneling going through. I don't know how it passes the fire inspection. When it gets too bad I ask the City Commissioner to check it. It is not easy to get the names of the people who own these houses. Many of them have left the city and left their names with rental agencies, and following it up there seems to be a problem.

Senator McGrand: You can follow it up?

Mrs. Wyatt: Yes, I have three books.

Senator Hastings: You mentioned \$50 a month?

Mrs. Wyatt: This is what Welfare pays. I have been in homes where they are paying \$60 or \$65 but this would be for some other reason—large family or something. When a man goes to work, or someone in the family goes to work, the rent goes up so they are right back where they started.

Senator McGrand: You say on page 3, "In Newfoundland, we cannot pay the cost of our poor. DREE is commendable but will not solve the regional disparity." On page 7 you say, in the third paragraph, "Gentlemen, we know that a cheque will not solve all problems." Now, if this attempt to overcome a regional disparity by a federal Government is not the answer, and is a cheque which would be money, guaranteed annual income, if that is not the answer, what is the answer?

Mrs. Wyatt: I do not say it is a total answer, sir. I still think we will have those who cannot manage regardless of what their income is. I am saying I do not think it will be the answer. DREE is a political gimmick, a little here, a little there. This is my own impression, and I am only giving my own impression. The strings attached to DREE are quite restricted. You have to meet certain criteria and I believe it is providing services that are not 1970 services. It is bare bones minimum. We are giving them a road to get away with it. Across Canada and the United States there are wider roads. Certainly if a recommendation comes in that water and sewage be in the same drain, then I as a nurse have some questions if there is a breakage there.

Senator McGrand: I am very much aware of the situation. I come from New Brunswick and our problems are not too different. New Zealand, which is a small country with limited natural resources, and dependent largely on what it makes off the land, has very few slums, low unemployment, and very little poverty. The same thing applies to Iceland and to most of Scandinavia. This may be an unfair question, but I do not mean it to be. If you were to be given the responsibility of restructuring the economy of Newfoundland, in order to eliminate poverty, what steps would you take?

Mrs. Wyatt: Well, by resources I mean people, untapped resources, real help of federal Government for us to do our own explorations in

terms of need. If you have so many in a family how much should they receive in terms of money? If they live in the city they cannot grow their own vegetables. What about our fish, it is not being used. As a matter of fact, the promotional program seems to be for the tourist. We are not taught in school the value of how to run our homes or how to care for a baby, and I do not think it can be done overnight.

Senator McGrand: I was thinking of your physical resources. I mentioned Iceland and Scandinavia. They have done it on the basis of their natural resources. How would you restructure the economy of Newfoundland?

The Chairman: Is that a fair question? After all, you are asking a pretty vital question.

Senator McGrand: I know it is a pretty vital question.

Mrs. Wyatt: On your question about Scandinavia, there they have public ownership of the land. They have very modern cities, you do not have to deal with this little fellow's boundary and that little fellow's boundary.

Senator McGrand: It was not what happened in cities, it was what happened across 24,000 square miles.

Mrs. Wyatt: Well, I should ask you how they elty they have done.

Senator Inman: On page 7 you say, "Some people need to be sent a daily food order with a menu. They should not be condemned but they need guidance with planning," and so on. Have you any idea as to how this should be done?

Mrs. Wyatt: This situation we find ourselves in is not new. People just cannot manage, they are filled up somewhere between Kentucky Fried Chicken and Chinese Food. I suggest we turn to our schools. History is important but I suggest the socio-psychological development of the individual is more important. If my mother could not help to show me how to cook, how could I learn?

Senator Inman: Do not the high schools now have a domestic science course?

Mrs. Wyatt: Yes, that is something you take if you are not good at football. I think men ought to have this too.

The Chairman: With the amount of money you see in Newfoundland for welfare, what can you teach them?

Mrs. Wyatt: You have made a big issue of this business of people needing a menu. This would be a small number of people. I would like to ask this lady how she feeds her family?

Mrs. Augustus Whalen, Housewife, St. John's: It is hard to say.

Mr. Whalen: She is starving to death, that is what is happening.

Mrs. Whalen: I can only feed my family fish, boiled beans. In regards to fresh meat, that is out.

Senator Inman: Do you get milk for the children?

Mrs. Whalen: Powdered milk, that is all.

Mr. Whalen: It is only through the good grace of our grocer that we have not suffered through malnutrition. Clothing is out of the question. Come September and fall, in order to provide school clothing for our children, we will have to go to the bank and get a loan. We have a debt of \$1,500 and that is a big debt, and they have threatened to foreclose on our home.

The Chairman: Thank you, Mrs. Wyatt, for presenting matters of general importance. You can rest assured that these recommendations will have our consideration in due course. We are most grateful to you, and I express that on behalf of the whole committee.

We have a brief here from the Newfoundland Co-operative Services. On my immediate right is the president, Mr. Bill O'Driscoll. Next to him is Mr. W. E. Benedict, managing director. I will have Mr. O'Driscoll speak to you now.

Mr. W. O'Driscoll, president, Newfoundland Co-Operative Services, St. John's: Mr. Chairman, senators, ladies and gentlemen, I should say first of all, we are happy to present this brief to you because your terms of reference tie in very well with the aims and objectives of the Co-operative movement in Canada and in Newfoundland in particular. I could set it out in a broad statement. It is to improve the standard of living for all Newfoundland citizens through self-help programs.

You have all had time to read our brief. I do not intend to talk about that. I plan to talk about how our aim this morning is to show how a current poverty program could be improved to cope more effectively with the question of poverty. We feel better use could be made of the Co-operative movement in changing the systems that are now creating poverty, by helping people get better value for

their dollars and get better training for poverty-stricken people through participation in co-operatives.

As most of you know, the Co-operative movement involves millions of people in Canada. In Newfoundland itself we have 20,000 people involved. This involves a direct savings in excess of a million dollars a year. Other benefits cannot be calculated. I feel that it is true to say that many of those thousands involved in co-operatives in this province have kept themselves above the poverty line through involvement in one type of co-operative or another.

One aim of the Co-operative movement is to involve people in credit unions. We have credit unions for teachers and for other groups in the province. Through this service financial aid is given at the proper time and through financial contributions many people have been helped through periods of financial difficulty and have been helped to save even though they could not save very much.

A second aim is to involve people in Consumer Co-operatives. There is one in St. John's and several across the island. Consumer Co-operatives could best serve the consumer poor. Their aim is to provide supplementary services and information at cost and because of this the cost is cut down to the consumer and, as you know, people spend a high amount of income on food.

A third aim is to involve people in co-operative housing. We have had co-operative housing groups in the province in the past and through co-operatives many low income groups have been able to own their own homes. Apart from the economic benefit, there is the advantage of ownership and participation.

In addition, perhaps the greatest contribution of co-operatives is that they provide for people a basis to study problems together and involves them in some things. We cannot overlook the importance of getting them involved. Another important aspect of co-operatives tying in with Government is that the Government can provide assistance much more efficiently. The Government can help a group much more than an individual here, there, or everywhere. Perhaps this is where the N.C.S. (Newfoundland Co-operative Services) fits in.

Newfoundland Co-operative Services is the co-ordinating body. We have two main objectives: The first main aim, in all communities across the province, is to promote and co-ordinate groups of all types and follow-up resources to help them to operate efficiently. The second is to set up services at local level that these co-operatives can draw on in times of need. This is a national thing as well in that Newfoundland Co-operative Services ties in

with the national organizations, such as the Co-operative Union of Canada, Inter-Provincial Co-operatives and Co-operative Insurance Services, et cetera. I understand you have already received a brief from our parent organization in Ottawa, the Co-operative Union of Canada. In our brief we have presented to you we have made quite a comprehensive study of what the Co-operative movement is doing now and what we plan to do in the future. This brief was originally directed to the provincial government in the hope that they will carry it on to the federal Government.

We act through a ten man board. We have only one board member elected from St. John's and the rest are spread evenly over the province, for example, we have one member from each of the following places: St. John's, Comfort Cove, Eastport, Grand Falls, Corner Brook, Gander, Clarenville and Springdale, and two from Stephenville. Among these ten we have two farmers, a magistrate who is involved with consumer co-operatives, two teachers involved with credit co-operatives, two welfare workers who are involved with consumer co-operatives, one business manager, and two wage earners. This ten man governing body is elected yearly at the annual meeting of the Newfoundland Co-operative Services. Our managing director, here on my right, I brought along to answer any questions. He has fifteen years experience.

Just in conclusion, Mr. Chairman, could I say then it is the feeling of the Co-operative movement that any recommendations that you make, any program that you suggest, must keep in mind the principles which are spelled out on page 1 of our brief. On the bottom of page 1 these are essential principles we feel:

- (a) The need for people to participate actively in programs and decision making which affects their lives.
- (b) The dignity of the feeling of having earned aid or opportunity.
- (c) The need for programs to originate from the recognized needs of "grass roots" people.
- (d) The need to eliminate patronage and special favours (misuse and lack of objectivity).
- (e) The need to spend the dollars at the "need" level and not at the "agency" level.
- (f) The danger in "gifts" creating irresponsibility.

Mr. Chairman I understand some of the senators may have questions now.

The Chairman: Speaking about credit unions it would be of interest to you that legislation

dealing with truth in lending has been passed I was active in giving support. The co-operatives were very appreciative and we were very receptive.

Senator Fournier: Mr. Chairman, I must say I am very impressed with the brief. I have read it twice. I must say honestly and frankly that I think you people are moving in the right direction. What you have achieved in five years is marvelous. I have been involved with Co-operative movements for 32 years, and during that time we had our ups and downs and our failures. We almost went bankrupt. We changed management and reorganized and we are now doing a million dollar business. It has been very helpful. Two years ago we celebrated our first million dollars in the bank. This is used by people in need.

Reading through your brief I see you have done a tremendous amount of work in five years. I note the number of members you have. I like a lot of your statements. I think people who participated in co-operatives had their own training and expected too much personal benefit. You have to think of what you can do on your co-operative, not what your co-operative can do for you. It takes a lot of free time, a lot of effort, and it is certainly one way you can help many, the poor people and farmers. We have no poor fishermen in our province. Pulp wood is being replaced by chips, and we are facing a new problem now. I should like to find out where your market is, where you export all you produce?

Mr. W. E. Benedict, Managing Director, Newfoundland Co-Operative Services, St. John's: What product?

Senator Fournier: What comes out of your co-operative?

Mr. Benedict: There really is no export commodity. We are using all we have, except fish. The fish being exported is going through other agencies here in town. Our objectives along these lines are outlined in our brief.

Senator Fournier: Is your co-operative suffering from competition or opposition from people already organized in the fish business, the exporters?

Mr. Benedict: We are not perhaps big enough to feel the full impact. The answer is, quite definitely we are running into opposition. We are a different system and as soon as a system gets big enough to have an impact, opposition starts from banks, et cetera.

The Chairman: But your rates are below bank rates in most cases?

Mr. O'Driscoll: Yes.

The Chairman: Well what competition?

Mr. O'Driscoll: Competition in sense that a credit union needs help until a certain time.

The Chairman: Needs money from the bank?

Mr. O'Driscoll: Yes.

Mr. Benedict: I would like to cite Goose Bay where we put in a co-operative last year. Prices in the community are 15 per cent to 20 per cent lower because the co-operative is there. The whole community is benefiting because the co-operative is there.

Senator Quart: What is the membership fee for your co-operative?

Mr. Benedict: It depends on the type of Co-operative. It is quite nominal.

Mr. O'Driscoll: Perhaps we should explain "fee". A person who joins a co-operative must pay \$5. That is not a fee, that is a share.

Senator McGrand: On page 20 you make some mention of co-operatives in Fogo and other places. I just followed your answer previously. What percentage of the fish production in Newfoundland would be handled through your co-operative?

Mr. Benedict: Just a guess, 5 to 10 per cent.

Senator Fournier: That has been the case in the past. It is a lot more successful, because of that change.

Senator McGrand: You made this comment on page 24:

Instead of an individual contracting for pulp wood and hiring local people to cut the pulp wood, these local people could organize and contract for pulp wood themselves.

Now, how much of the forest land? I do not know what you are referring to. I presume you mean the small holders of privately owned land.

Mr. Benedict: No, I think we are thinking more in terms of the wood cutter and the co-operative which would lease crown lands rather than the pulpmill owner.

Senator McGrand: What percentage of Newfoundland is forest country—85 per cent?

Senator Cook: Two-thirds of it is water.

Senator McGrand: Well, I want to know how much is forest. I understand that the large companies had leased most of what was originally Crown land. How much of Newfoundland would be forest area owned by small land owners?

Mr. Benedict: Practically none, I would say.

Senator McGrand: What does the average wood cutter earn, who is cutting wood for these large companies? He is paid by the cord, naturally.

Mr. Benedict: In the vicinity of \$12 to \$15 a day.

Senator McGrand: His earning power is \$12 to \$15 per day. With use of power saws and such things as that, the number of men engaged in wood work is getting smaller and that results in increased unemployment. Is that it?

Mr. Benedict: Wood cutting is more part-time or back-up work rather than a full-time job.

Mr. O'Driscoll: Our point in this brief is to show how a group could get a larger share of the profits.

Senator McGrand: You understand that my purpose is to find out more about poverty in Newfoundland.

Mr. O'Driscoll: We cannot help you on that.

Senator Inman: I enjoyed reading this brief. Incidentally, I am one up on Senator Fournier. I knew co-operatives quite intimately for 40 years in Prince Edward Island. How co-operatives branches do you consider Newfoundland could support?

Mr. Benedict: I think we are quite conscious of the fact that you cannot service all the little communities that we have. We are thinking of about 25 communities which will develop on a permanent basis with other communities feeding from them as branches.

Senator Inman: The reason I ask is that Prince Edward Island over extended itself and had to close out.

The Chairman: It is too small?

Senator Inman: Yes. This is not my first visit to Newfoundland. I love Newfoundland. I am wondering about the co-operative movement in small areas. Could it be arranged with two or three owning co-operatives and farming together? Would there be more income? Has this been tried?

Mr. Benedict: No, it has not been tried. It has good potential here. In this day and age of extensive use of expensive machinery there is a definite need. There are pockets of arable land in Newfoundland not being used on an agricultural basis because people in Newfoundland are fish-oriented and not farm-oriented. Not many people derive their income from farming at this point.

Senator Inman: I was wondering if your arable land could be utilized this way.

Mr. O'Driscoll: I think this is an excellent idea. Our central farmers are presently using this to some extent and also in purchasing fertilizer and raising crops and also in marketing.

Senator Inman: It could raise income of small farms?

Mr. O'Driscoll: Yes.

Senator Carter: You mention on page 23:

In the same area of co-operative farming there could well be some farms develop on the basis of joint (or government) ownership of land as well as machinery and equipment, this would offer a low investment opportunity to interested young farmers.

Do you mean an individual or a group? I would like you to explain this a little more fully. Would these groups have to be members of co-operatives?

Mr. O'Driscoll: You see, a poor person has to offer his work and what skill he has and very little else, so that he is not in a position, unless he co-operates, gets together with groups and pulls resources, to profit. He has his labour and his skills but he does not have what is leading to much more disparity in Newfoundland—control that comes with it. This is what I mean by this section. If through a pooling of resources he can build up a certain amount of capital, he is on a quasi basis at least with other higher income people.

Senator Carter: You say that members of a group become a little co-operative of their own. Then they work through you in the ordinary co-operative procedures.

Mr. O'Driscoll: Do not forget education. There is a lot of opportunity and education and the Co-operative movement go hand in hand. It is quite a lengthy process to get people ready for this.

The Chairman: Mr. Benedict, can you help? You heard the questions?

Mr. Benedict: I think the ordinary person says, what can I do? They look to someone else. The reality is they have their labour to offer but they definitely do not have an investment fund. Now all we are saying here is that there should be some way of making available an investment fund for poverty groups. Objective planning by the Government and ourselves can make possible this investment fund on an equitable basis, not gifts. That is all.

Senator Carter: Are you making this available to groups or to individuals? Supposing you have 20 people, one is a carpenter, another a plumber, and another a fisherman, and so on. They can all give labour, but how are you going to utilize it? I cannot see how your statement can meet that type of situation.

Mr. Benedict: The assumption is that you have people there but you need a longliner to get out there and get fish. You have a small group of farmers who have land but need capital to get going. We have some crop growers here now just operating. We have co-operative-owned vegetable plants operating but they don't have sufficient working capital to compete with Canada Packers. We are not suggesting giving them anything, but offering them equal opportunity with these other organizations.

The Chairman: Why are you not behind them?

Mr. Benedict: We are in the same situation. We have labour but no capital.

Mr. O'Driscoll: And knowledge.

Mr. Benedict: And we are talking about hopefully tentative things. We are talking about co-operatives being self-sufficient, and all that to get them to that point quicker.

Senator Carter: On page 3 you say, "Four sheries co-operatives handling in excess of 1,500,000 worth of fish and providing 150 jobs." Where are these located?

Mr. Benedict: Fogo Island, Brig Bay, Port au Port, Port aux Choix, Lawn, et cetera. Others are co-operatives acting as fish agents rather than co-operatives.

Senator Carter: In the next sentence you mention three farms that only provide 35 jobs as compared to 150 jobs in fisheries. How do you explain that?

Mr. Benedict: Fish processing takes more help than the processing of farm products.

Senator Carter: The farm co-operatives are not producers. They are processing. On page 2 of your main brief you say that vast areas of forest can be developed. Can you give the committee any idea where these forests can be?

Mr. Benedict: I think the central part of Newfoundland where there are no roads, or the central part of Labrador.

Senator Carter: You are thinking more of Labrador?

Mr. Benedict: That is where the major part of timber would be.

Senator Carter: Because most is taken up by larger paper mills?

Mr. Benedict: Most timber leases. It would depend on government policy as far as leases are concerned.

Mr. Carter: I would say the potential is in the Government.

Mr. Benedict: You will notice another reference in another part. Potential is there in relation to leasing such land in future.

Senator Carter: On page 18, number (10) you say that there is a little recognition by fishermen of the need to organize for self help. You are talking about the present situation in Newfoundland with respect to co-operatives, and you say: "Little recognition by fishermen of the need to organize for self help." And, on page 25, you say the same thing about farmers, "Farmers must understand the need for, and potential in, building ownership in their co-operative organizations if they are to control their destinies as farmers." Now, we have had the co-operative movement in Newfoundland for how long?

Mr. Benedict: For 35 years.

Senator Carter: And you have not succeeded in getting farmers to recognize the need for self help. If you have spent 35 years and not got it, how do you expect to overcome that?

Mr. Benedict: Well it has been an educational process. It has been treated as something that can get a government subsidy. They sort of treat it like a cow you can milk but don't feed.

Senator Carter: We have had educational programs for co-operatives for years. I remember when we had a whole department doing nothing more. Where have they fallen down?

Mr. Benedict: I think the most easily recognized benefit of co-operatives is a profit. We should not only talk about it but do it that way.

Senator Fournier: I think by experience.

Mr. O'Driscoll: We have succeeded to an unknown degree. I think perhaps where the co-operative movement has fallen down in the past is that it has drawn from a department rather than have people themselves see the need and see what they can do through establishment of a co-operative.

Senator Carter: These are your words not mine. They are in your brief.

Mr. O'Driscoll: The statement I was commenting on is one where you say, "We have done nothing for 35 years..." which is not in the brief.

The Chairman: No, he did not say that at all. He said you have not made as much progress as you anticipated you would make. Why haven't you made this progress?

Mr. Benedict: To motivate people to make changes is a long drawn-out process. The co-operative movement has been going for 130 to 140 years, and I think we co-operatives in Canada are being recognized more and more. I do not think you change the co-operative systems quickly. We are not going to change it this drastically in the next ten years, but I think we can go on making inroads into it.

Senator Hastings: I would like you to enlarge on what you say, page 1(d): "The need to eliminate patronage and special favors (misuse and lack of objectivity)." What were you thinking of?

Mr. Benedict: We are thinking in terms there of our all being aware of the inequalities of poor people. Someone knows this person, another one does not know him. Try to keep away from this type of thing and keep all people equal.

Mr. O'Driscoll: I think this is right—all people are equal. In a co-operative a man who has one share has the same vote as a man who has ten shares.

Senator Hastings: Does this not apply to people of Newfoundland?

Mr. O'Driscoll: That comes once every four years and does not affect them nearly as much as what we are talking about here.

Senator McGrand: On page 4 you say that the timber industry needs to be developed by the

people of Newfoundland and not by investors. You made reference when you suggested that individuals should be able to lease or buy stop page on their own and cut. You mentioned that. Now, they would have to sell the wood that they cut, regardless of how they got it, to the mills, to the same people who now buy it, they worked in mills as employees. I think you have something quite good there. I wish you would develop it.

Mr. Benedict: It is only a personal opinion. It would not benefit so much an individual as it would an individual within the co-operative on such a scale that you should see some benefit to the woodcutter.

Senator Fournier: On page 4 you talk about employment and you say, "In many cases our raw product is being shipped out and the processed product returned." Give me an example of this. Are you talking about paper, cardboard boxes, et cetera?

Mr. Benedict: That could be. Fish is one example. Various types of fish are put out but not many are shipped apart from salt fish. Processing is all done away from the island.

Senator Fournier: You mention frozen fish.

Mr. Benedict: Yes, to some extent, but mainly pickled, smoked, et cetera.

Senator Fournier: How big is the main plant?

Mr. O'Driscoll: Not very big. There is only one co-operative freezing plant and that co-operative is basically a mink farmers' plant, and mink farmers are sort of disappearing from the scene generally. They are struggling right now.

Senator Inman: On page 4 you say; "The timber industry needs to be developed by the people of Newfoundland and not by investors." You mentioned earlier that there is forest land lying idle. Would you have the same problem with Crown lands? Why is this?

Mr. Benedict: When the chaps came back from the armed forces, land policy was such that they could get land fairly cheaply because they particularly wanted to farm. A number of farms in Newfoundland are not growing much. Better use could be made of this land.

The Chairman: Not only soldiers in Newfoundland. This happened all over, but the were not really farms.

Mr. Benedict: I think in agriculture we could be self-sufficient, but we are only growing 20 per cent of what we could grow.

Senator Carter: What vegetables are you growing? How are you processing them?

Mr. Benedict: It is straight grading for reselling, getting them ready for market. They are fresh vegetables.

Senator Carter: On page 8 you talk about getting \$1 million interest free and not repaying until the sixth year. Now, is that in accordance with the co-operative principles?

Mr. Benedict: I think that equally as crazy things are being done in private enterprise.

Mrs. Mary Mercer, Housewife, Mundy Pond, St. John's: When you say "equally crazy," we have tuna wasting on beaches and yet I go to the supermarket and pay for tuna. Isn't that equally crazy for tourists who are throwing it away?

Mr. O'Driscoll: Mr. Bidgood tried to can some on an experimental basis last year, but most is left to waste on the beaches.

Mrs. Mercer: It is mainly a tourist industry.

Senator Carter: Have you presented this to the provincial government?

Mr. O'Driscoll: We have correspondence acknowledging receipt of our brief and we are awaiting a suitable meeting date.

Mrs. Mercer: One other point, most of the farming land in Newfoundland is on the west coast and is not being farmed at the moment. Most of it is owned by veterans who are unable to farm the land, so it just sits there. It is not like in Russia where the land is state owned.

The Chairman: If a veteran gets an allowance it is not so important that he can move.

Mrs. Mercer: He gets an allowance but he cannot farm the whole thing. The good farmland is tied up, you cannot use it.

The Chairman: The veteran you talk about is an individual, but that is a situation you talk about there. People have gotten away from subsistence farming. It is easier to go to the supermarket now and buy a sack of potatoes than to grow them.

Senator Inman: I think there are some 16 acres of bogland in Newfoundland now being opened up.

The Chairman: Well, gentlemen, you have presented your brief and you have been questioned. You appreciate from some of the questions that the members of the committee have been rubbing shoulders with co-operatives for many years and are very sympathetic with co-operatives. We have your views and know a great deal about your problem and encourage you in the work you are undertaking. On behalf of the committee, thank you for coming down.

Mr. O'Driscoll: Yes, I hope your reason for existing would be well tied in with co-operative movements. Our needs parallel the work of your committee. Any help you could give would be of help to us all.

Senator Fournier: Is anything being done by the tourist industry?

Mr. O'Driscoll: Quite a bit through the government industry.

The Chairman: Sitting on my right is Mr. Raymond Riche, Vice President of the Newfoundland Federation of Fishermen, and unofficial mayor of a section of St. John's known as Outer Battery.

Mr. Raymond Riche, Vice President, Newfoundland Federation of Fishermen, President of Local 9, St. John's Federation of Fishermen, Chairman of Battery Improvement Committee: Ladies and gentlemen, God has been good to me, no learning but a good voice, and I would like to have a little attention. You don't get this privilege too often to speak to a bunch of ladies and gentlemen, and I like to be very blunt. Gentlemen, I have not been one of those for the last 20 years. There is "yes" and "no" to everything. First, I would like to ask the ladies and gentlemen what capacity they are here in. They are, I understand, a Poverty Committee. I hate that word because I was never poverty stricken. For the past 20 years I have been working for people who didn't have a chance. I can't see how you can say a man is "poverty stricken" when he can't get a job, for if that man can get a job and bring home a fair wage then the poverty ceases.

I was fishing at 11 and 50 years going out of St. John's. You ask about pollution. God gave me good eyesight. I don't even have glasses. I see thousands of pounds of fish thrown out, and after that kind of experience I don't understand when you say a "hungry world". People talk about food shortages and yet you can see those things happening all around you.

Ladies and gentlemen, you speak of taking time off. I have no time to be here this morning if there cannot be something solid from this.

About eight years ago I took this matter of pollution up with the authorities and tried to solve it on a quiet basis. I am not going to put a birch log on the fire, it only makes the fire go higher; but I would like to ask these people if they have even been notified on such occasions. I saw one thing that if I brought it in the open it could have closed up Job's Fish Plant. I took it to the fish authorities. If I had brought it in the open they would have said, "What is Ray Riche talking about?" There was a problem about pollution which came up and which was on television here. We were trying to sell fish and there was the problem of pollution. I don't have to speak to Senator Cook and Senator Carter about that. I have been preaching about this to our city council but it died at City Hall.

I brought up the case that 10 longliners are fishing out of St. John's and fish was put on wharves and not washed off only when rains came down. I took this to the heads of the land, but what has Canada done? Surely, ladies and gentlemen, we should be able to solve these problems in quietness. There is an article of food and it should be kept that way in sanitary conditions. All the heads in St. John's know that issue, but what have they done? Not one thing in the world have they done about it, and I don't like to bring it in the open.

Look at Long Harbour. Last year that news was sent all over the island and down through the States. I got calls from all over and I had people say that they had fish and wouldn't eat it. It is like cancer. You go to the doctor and he says that if you had come to him 20 years ago he could have cured you. The Government gives us longliners and when we bring in fish we can't sell it. I can't see our Government doing anything to stop it. I can go on until 6 o'clock this evening giving facts.

We can only sell to a fish plant in a day an average of 120,000 pounds of fish. We could have had 20 more cod traps set this year in St. John's if our outlet had been favourable. Demand for fish is good, it is better than it has been for the past ten years. There is a good market. But, we can't sell it because the processing facilities are limited. We have a fish plant on the Southside. I don't know if you ladies and gentlemen are familiar with it. Because that was built, Job's Plant which operated there for 100 years or more and looked well after the fishermen of St. John's area, had to close down. Job's employed 100 to 150 people off Blackhead Road. They were making a good week's pay with the fish they brought in. Are we crazy or are we going crazy? The main thing for people is to find jobs. I am unlearned. I started fishing when I was 11. No man in Newfoundland gave me five cents. I worked day and night. I think there are thou-

sands like Ray Riche. I have had a chance to make a decent living.

The fishermen have been selling fish out of wheelbarrows and have had no facilities at the waterfront with which to wash out these wheelbarrows. They do wash them out but they must go to private firms to get a bucket of water to do it with. Some of the Shriners saw this when they were here the other day. Our fishermen were very ashamed of the way they had to handle their fish in front of visiting guests. The councillors have known for the past 18 years that this situation exists.

Let us face facts. I'd spend 20 days here if those Government people could solve some of these problems. If there is a job let a man go to work. If he is sick, give him the best we can get, but don't accuse a man of not working if there is no job for him.

Senator Inman: We are here looking for a solution to help the low-income people and we need help to find the answer. We are here to see if you people have any solution you can give us. We don't have a solution, we are looking for one.

Mr. Riche: Well, my lady friend, perhaps we are going too fast. We have a fish plant here which, if it were operating at the right capacity, would take upwards of 400 people to run it annually. To run it fully, you would need about half a dozen draggers and they would employ in the vicinity of 100 men. So the overall number to run the plant-labourers and engineers and what have you, would be about 400 people. There is also a meal plant attached to this fish plant which could engage at least another 20 people.

The Chairman: Why isn't it being done?

Mr. Riche: I don't know if the politicians are Liberals. Are you people Liberal senators or are ye all mixed up?

Senator Quart: Senator Fournier and I are Conservatives.

Mr. Riche: I am glad of that, because we are speaking to a cross-section of senators, so the Opposition won't be able to say, "I never heard this."

The Chairman: You tell us there is a possibility of having 400 people employed and the prospect has been there for some time. I am asking you why this has not happened. What are the reasons given?

Mr. Riche: Well, sir, one is left in the dark, especially in the ignorant class as I am. Let me

put it this way. Why, I just don't know, but during my interview with the premier he said, "Ray, the problem is with the Ross Steers Plant. These people are paying their commitments and while they are doing that the Government can't interfere." Now, when the Government has your money and my money, I won't take that hogwash. That is it. He is the man who holds the ropes. That is the position. Now, what authority does Ray Riche have to open a plant?

Senator McGrand: Who owned the plant?

Mr. Riche: Ross Steers. The company came here with six draggers. They would go fishing at 6 o'clock in the morning and get back at 6 o'clock in the evening with no fish, only trouble, trouble, trouble. The way I understand it, the crew had a guaranteed \$100 a week fishing allowance and the captains of these draggers were getting a very good salary and were lodging in the Welcome Hotel, when the ship was in port. I know for a fact that one fisherman on a dragger for two weeks, upon hearing she was sailing in the morning, got off and the captain had to leave the ship and drive over to the Welcome Hotel. Now, downstairs at the Welcome Hotel is a bar and if I had the question put to me that instead of going to the Grand Banks, would I rather be down to the bar having a quiet drink, I'd leave it for you to answer. This is the system that was created.

Senator McGrand: Where is the company now?

Mr. Riche: It is closed down.

Senator McGrand: They lost money in their development here?

Mr. Riche: Well, I did not expect them to do anything else, personally.

Senator Carter: How many people are fishing in St. John's now?

Mr. Riche: It is considerably reduced since last year. I will give an example. At the Battery here were four crews last year who are not fishing this year because we have no facilities or selling fish. There were an extra three crews also from the Southside fishing last year who are not fishing this year.

Senator Carter: Trap crews?

Mr. Riche: Yes, that is seven crews or an average of 14 traps. As you know, Ches, the average cost of a cod trap would be \$1,500 to 2,000. These people have gone into carpentry

and other work. I know one man with three traps down there now. Anyone could have them.

Senator Carter: Altogether there are how many?

Mr. Riche: Altogether in St. John's 10 crews have gone out to the fisheries.

Senator Fournier: How many in a crew?

Mr. Riche: Four to six.

Senator Carter: Are there 60 people from the Battery?

Mr. Riche: From St. John's.

Senator Carter: What would it be in the good days?

Mr. Riche: Well, we went to 170 men in the good days.

Senator Carter: Well, it would be the average of fishermen out of St. John's.

Mr. Riche: I can remember one crew, 6 men, who got 1,200,000 pounds in two months of fishing. Out of that they sold 900,000 pounds of round, that is cod as it is with insides and all in it. The other 300,000 pounds were sold dressed, that is with the insides removed. This fish was sold to Job's. The sharmen made \$1,800 a man for two months of fishing.

The Chairman: Senator Carter asked about the "average."

Mr. Riche: He will have to average it himself when I come to it. I recall a few years ago when the whole crew did not make \$100 for one month, with no fish at all.

Senator Carter: You fish hook and line too?

Mr. Riche: Yes, but mostly gill nets.

Senator Carter: I am thinking of the whole season, what would be the average share of one man?

Mr. Riche: We had a man last year who fished traps and gill nets. He had four cod traps. He made a statement to the press that he turned over \$15,000. His expenses were \$6,000, and three men cleared \$3,000 a man each for a full 12 months work.

Senator Carter: Would you call that an average?

Mr. Riche: Yes, I would call that an average.

Senator Carter: Did these three fishermen average \$3,000 a year?

Mr. Riche: I would say our 10 gillnetters fishing out of St. John's would make an average of \$3,000 per man, which includes about 25 men. Now the extra 100 or 105 men, I would say, go from \$1,500 to \$3,000.

Senator Carter: How many of the 130 would average \$1,500?

Mr. Riche: Probably one-quarter.

Senator Carter: In other words, three-quarters of them would be around \$3,000?

Mr. Riche: Probably around \$3,000. There are a lot prosecuting the fisheries for 12 months, but a lot do not fish for 12 months. They catch by handline or some other way.

Senator Carter: Then you have the co-operative telling you what could be done. Have you ever had a co-operative?

Mr. Riche: Well, I don't like to kick anyone too hard but I am not a believer in co-operatives. This lady you heard was in co-operatives for 40 years and might convince me. We have a new store started here, where you can serve yourself. It employs a small number of people, probably 20, and we have the larger supermarkets probably employing 50. If your daughter or son is employed at one of these larger supermarkets and you are buying from the smaller supermarket to save five percent, sales will drop off at the larger supermarkets and your son or daughter could be out of work and dependent on you. So you may have saved five percent on your groceries but you are still out of pocket because of having now to provide additional money for your unemployed son or daughter.

The Chairman: He said he did not believe in co-operatives.

Senator Carter: I am not trying to convince him. What I am trying to find out is if they ever tried the co-op approach.

Mr. Riche: Why should we have to try this when a plant was built on the Southside to process fish and when I can see a lot of fish being thrown away, and when I can look over and am sometimes blinded by Russian, Norwegian, and Swedish ships—the most modern kind of ship—coming in our doorstep and making a klondike? Why don't we help the

producer? You give me a good boat to go fishing but, in the name of everything that is fair, bring in some to market and there is no one to sell them to. A government that takes the government money and gives it to these people what do we elect them for?

Senator Carter: We were down to Quidi Vidi yesterday. They have three plants down there. Do they buy from St. John's fishermen?

Mr. Riche: A very small amount. Mr. Bursey could probably look after two traps. They are limited, very small.

Senator Carter: Can't they expand?

Mr. Riche: They have had problems getting water in the past. They are doing the best they can with the facilities they have.

Senator Carter: You have a plant on the Southside which is no good to you and you cannot open it yourself. You have a plant in Quidi Vidi. If somebody in Quidi Vidi buys the fish it is just as good as someone on the Southside. What I am trying to say is that if this plant closed down what about the one next door in Quidi Vidi?

Mr. Riche: Well sir, Mr. Bursey has been a public issue for the past six months. He was going to improve his facilities and they wouldn't allow him. We have fishermen out here with six cod traps, there are others not fishing. We have three small buyers who are doing their best with their limited facilities. When you are splitting fish you can't catch. If you get 10,000 pounds of fish you have to stand at a table and split.

Senator Fournier: I understand that in order for a fish processing plant to succeed you must process so much fish per year. How much fish must go on the market per year to make it pay?

Mr. Riche: One problem is that you need deep sea draggers.

Senator Fournier: How much fish?

Mr. Riche: Anywhere from 12 to 15 million pounds of fish, according to the records at Job's plant.

Senator Fournier: Where do they go to market?

Mr. Riche: Mostly to the States.

Senator Fournier: They did not do that well.

Mr. Riche: Oh, yes, I knew Job's did 15 million.

Senator Carter: Maybe 15 million?

Mr. Riche: Oh, yes, more than that. And the new plant Ross Steers built was a more modern plant than Job's.

Senator Inman: Any lobsters?

Mr. Riche: I am not qualified to speak of lobster. We are right on the east coast and several people tried to come here from nearby settlements. It is a big thing in Newfoundland, but it does not pay in St. John's. In Holyrood and these places up the bay there is profit.

The Chairman: This has been a very interesting presentation, down to earth and a lot of common sense.

Mr. Riche: Sir, with that I hope you will do something about it.

Mrs. Caroline Barfitt, housewife, St. John's: It is about my son. Now, his name is Johnstone—I was married twice. He was born 35 years ago. I reared him until he was 23. Now, he didn't ask me, but I am going to do it. I never got a cheque for that child. I have another child with a withered hand and she is in the States now and I never got anything for her. He is in hospital, just about dead. All his records are gone to Montreal. When I saw him in that bed it made my heart bleed and I think—

The Chairman: He is in hospital now?

Mrs. Barfitt: —he is dying, as far as I know. He is a good worker, working since he was 23. When I get the report from the doctor—all these records gone to Montreal—if we get it back, we have to get government assistance. I want him looked after.

The Chairman: I suppose the reason his records were sent to Montreal was that it was a neurological examination. I think you indicated that he is slightly retarded?

Mrs. Barfitt: Yes, but I am not using names because he did not ask me to do that.

The Chairman: When you get these reports you should take them to the Department of Welfare.

Mrs. Barfitt: I am getting on, and he cannot manage his needs.

The Chairman: Take them to Mr. Neary's department.

Mrs. Barfitt: I am having nothing to do with Mr. Neary, I am sorry to say.

Mrs. Mercer: Why is it the fishermen of Newfoundland are not subsidized as the prairie farmers are? When a farmer across Canada sells his farm he is remunerated. Why does this not apply to fishermen? They should be subsidized or the fish should be paid for. This should be brought out.

The Chairman: Mr. Ray Upshall from the Householders Association of Mundy Pond has a presentation to make.

Mr. Ray Upshall (Householders Association, Mundy Pond): Mr. Chairman, senators of the Senate, my remarks will be very brief. I note the comment Mr. Riche made, "are we going to get anything from this?" This is a doubt that we have in our minds, and I say this in connection with our brief. And from the brief that we are presenting you will see why I said this.

I would like to refer, if I may, to the last sentence in that brief:

There should be one department or branch of one of the levels of Government that should assume responsibility regardless of whose responsibility it really is.

This, of course, is referring to the contents of this brief. If it were possible, I think the place we should have been looking was the Department of External Affairs to get some satisfaction for what we are doing.

I will give a brief history of Mundy Pond. Fifty years ago it was a park. It was a park area in the sense that there were few houses. Up to 20 years ago we had people come in from St. John's East and so on, and have picnics in the Mundy Pond area. Since that time the area has become very congested, since 1949, since Confederation. As a result of this congestion, the area has become very polluted.

Our brief may be different from most here. Our aim is to prevent poverty. We like to prevent it before it happens and with the development of the Mundy Pond area, the government will be developing poverty. I would like to say that the Mundy Pond area, for the benefit of people here who may not know, is located almost within the heart of the City of St. John's. It is not on the outskirts. The Blackhead Road area you refer to is on the outskirts. Mundy Pond, to describe it, is the shape of a horseshoe—the base being east. On the north we have the city limits running four miles past the Mundy Pond area itself. On the south, the same thing. We have this vacuum right in the center, like I say, right in the community itself, St. John's, not an outside community.

Senator Fournier: Where are the oil tanks?

Mr. Upshall: The oil tanks were installed by the oil company. This is a residential area. There was nothing in the area apart from oil tanks, so the oil tanks went in the residential area.

Senator Fournier: Any property expropriated?

Mr. Upshall: Not for oil storage tanks, not to my knowledge.

The Chairman: From your own brief, it appears you have made a great deal of progress already and have had a great deal of success.

Mr. Upshall: Personally I have been holding public meetings in the Mundy Pond area for approximately seven years. We had all kinds of promises. For seven years we got promises. And the problem is we have made no success in our efforts, because of the politics involved and we depended on the Government to do something for us. It is unfortunate that we had to deal with the politics of the provincial government and the city council. If it were possible I would have dealt with foreign aid and may have got something done. Our area is a no man's land completely forgotten by members of government.

Senator Fournier: What is the name of your group?

Mr. Upshall: Civic Improvement Committee of Mundy Pond. We have approached the Government dozens upon dozens of times, and I came to the conclusion a couple of months ago that we were beating our head against a stone wall. People on Blackhead Road had a good idea when they started that union, and I copied it, went along the same principles. So I called a meeting and adopted a constitution, so we are now an organization with an executive committee, and so on.

Senator Fournier: What is the population?

Mr. Upshall: About 3,000 people.

Senator Carter: Your thinking in your brief puzzles me. What you are asking for is an ordinary water and sewer system to be installed in Mundy Pond, and in another part of your brief you express fear that houses will be confiscated. You will not get a good price for them. Why is that?

Mr. Upshall: We are referring back here to legislation of 1954 under the Expropriation Act—when a home was expropriated you could get a home for a home.

Senator Carter: With all projects listed here and progress made why are you afraid now they will denude the area and take the houses out?

Mr. Upshall: One thing we are ignorant of the plan. We have never been able to see the plan or been given any information on it. The only information we have is what was released to the news media. There will be new streets and arterial roads put in the area. We were a year waiting for the first plan, 1965-66. The planner was supposed to be sick. In actual fact the planner did not agree with the government or the council, so he resigned, so we were detained a year on that. On that plan so many houses were to be taken down.

Senator Carter: There have been houses taken down?

Mr. Upshall: No. There were two plans, one was scrapped. The other one is for \$72,000, which they are now spending (\$100,000 revised downward). We are thinking about the first plan, demolition of houses. If this is tied in with the second plan we don't know. If it is we certainly don't have true plan.

Senator Carter: Is there any way to get this?

Mr. Upshall: It is impossible to get any information. We have gone to the premier, to the municipal council and also talked to officials of Central Mortgage. Impossible!

Senator Carter: Can your councillor not get information?

Mr. Upshall: The council will not give us any information.

Mrs. Mercer: This is a problem with all the federal programs we have started. The CMHC planner can't say, and the federal Government can't say until the provincial government co-ordinates it. You need someone to go to. There must be someone to whom I could go. It is passing the buck. It is tied up in red tape; it is passing the buck. The only thing we get is a bill from the council. I can go down tomorrow and pay my bill and come home and my well will be dry. How can I appreciate a ribbon cutting ceremony when I come back and look in my well and it is dry.

The Chairman: Yes. As I understand it, the money for this project comes from the federal Government.

Mr. James Shea, Mundy Pond, St. John's: Maybe we are missing the whole gist of it when Senator Carter asks why people are con-

cerned. Why? Because they are losing property and probably won't get any money for it. I have not seen this proved but I presume it is an established fact. Let us assume you live in the area. You have modern conveniences and a modern home and you are afraid to open your door. It is a throwback to the Industrial Revolution. With a water tank you get only sufficient water so that you can attend to ordinary needs. No wonder people are concerned. Some progress has been made over the last few years. After seven or eight years we get this from the great Canadian Government. They decided that they would freeze urban renewal. The people in the area had property frozen, they were not permitted to install any sanitary systems on their own. The Canadian Government came out and said the project will cost \$7 million. Sometimes legal expediency dictates several things. Out of that it was wheedled down to \$3 1/2 million and no one seems to know what is going to happen to them or what they are going to do about it. When they froze the urban renewal they had \$25 million, which meant they had \$5 million each year for urban renewal. Is there any other reason needed why people might be scared that they might not receive money for their homes and property?

The Chairman: We have your brief.

Mr. Upshall: To me this is a waste of time, if we have only five minutes. You have not heard the witness.

The Chairman: He emphasized what you had to say.

Mr. Upshall: This committee is here on poverty. When you have a woman who has to store water in her home or have a night cart come around and collect the excreta, this is the worst kind of poverty.

Mrs. Mercer: Does anyone have any suggestions as to where we can get any solutions?

The Chairman: It was suggested to Mr. Andras. It will be brought to his attention.

Mrs. Mercer: Who will get Mr. Andras' answer?

The Chairman: When the answer comes we will pass it on. It will come to us and we will pass it on.

Mrs. Mercer: To the "Senate Poverty Committee"?

The Chairman: It will come to us and we will pass it on.

I have a request from a Mr. John Locklyn.

Mr. John Locklyn, 20 Bond Street, St. John's: About six weeks ago I opened a small confectionery store at 1 Long Street. My father-in-law backed me for \$350 and my wife's brother-in-law for \$200. Welfare got hold of it. They cut off my \$75 a month. Well, that is fine if anyone can live on \$75 a month. I would like to see them try.

The Chairman: What were you receiving?

Mr. Locklyn: I was receiving \$210 a month for my wife and myself.

The Chairman: Total assistance for your family?

Mr. Locklyn: Yes.

The Chairman: Is it just the two of you, no children?

Mr. Locklyn: Right. My wife has a heart condition and is not allowed to work. I got out to try to pay this back. I have new machinery in my shop. I had to get all this on payments from Coca-Cola and Great Eastern Oil.

The Chairman: They cut you down from \$210 to?

Mr. Locklyn: To \$75 a month. I am renting the store.

The Chairman: So they cut off \$135?

Mr. Locklyn: Right.

The Chairman: Did you take it up with the Department of Welfare?

Mr. Locklyn: I took it up with Steve Neary, Ank Murphy, and the Department of Welfare, Harvey Road. No satisfaction. I got a letter Friday afternoon, brought to me personally stating that they would not give me any assistance whatever. The Department of Welfare gave me last month's cheque as a favour.

Senator Cook: How long were you getting \$210?

Mr. Locklyn: Not quite a year. I have been employed. I worked part time with the C.N.I.B. when there was anything available. I sold door to door for six months in the winter, in all kinds of storms, and couldn't get ahead with that. So no matter how you try to get up there is always someone to pull you down.

The Chairman: Under the law, the province is permitted to pay you the money despite the

fact you are in a small business of your own. The federal Government provides half and the provincial government the other half, and the reason is not an unreasonable one in that they cannot afford it. There are other provinces that cannot afford it. It is not your fault and should not be taken out on you. One thing we are interested in is the working poor people who cannot make enough to support themselves.

Mr. Locklyn: Well, I am leaving for Ottawa Friday morning.

The Chairman: What for?

Mr. Locklyn: Well, I am going to fight it.

The Chairman: You are going to see somebody in the Department of Health and Welfare and they will tell you the same thing that I am telling you here.

Mr. Locklyn: Well I am going to kick up a stink.

The Chairman: You can kick up a stink here. My advice to you is not to go to Ottawa because you would be wasting money. The government here has money to do this, and your particular case will be brought to the attention of the government before we leave here.

Mr. Locklyn: They will give you the same answer they gave me.

The Chairman: No, I don't think they will give the same answer. You can go to Ottawa but you would be wasting money.

Mr. Locklyn: Well, I am hitchhiking.

The Chairman: It will still cost you money.

Mr. Locklyn: I have lots of friends along the Nova Scotia line.

The Chairman: You can do what you want but this will be brought to the attention of the government.

Mr. Locklyn: I have gone to see Steve Neary and Ank Murphy.

The Chairman: This will be brought to Steve Neary's attention today.

On my immediate right is Mrs. D. H. Rendell and next to her is Mrs. M. G. Rochester, representing the St. John's Club, Canadian Federation of University Women.

Mrs. D. H. Rendell, St. John's Club, Canadian Federation of University Women, St. John's: Mr. Chairman, honourable senators, we were prompted to submit a brief to the Senate Committee on Poverty by a particular problem which has arisen in the last two weeks. We have, therefore, submitted this brief under pressure of time. It is limited to the particular project in which we have been involved. I believe we have become involved in problems of wider significance. We became involved in the past five years in a project in the Blackhead Road community where we sponsored a Saturday morning nursery school for four year old children. This was a pilot project. We are now searching for means to carry out a regular five day week project and are looking for funds to do this, looking for a much broader significance than our own particular one.

We became interested in this project through the awareness our own children received while attending nursery school and in recognition of that fact that such experience is not available for all children and that the need for pre-school children to have this experience is as great, if not greater, for parents who cannot afford to send their children to nursery school. So the focus of our project is on the whole child and not just the child in school. We are interested in the child as a member of the family, a product of the environment, and a member of the community. We are interested in his health and stage of development. These are reflected in our staffing. We have nursery school teachers, two social workers and medical personnel.

The needs of the poor are human needs. We feel a program like this can help you develop these. Human needs do not come in neat little packages, neither do the needs of the poor, yet our society is only structured along certain areas particularly where the Government is concerned. The problems of the poor are often clandestine, such as education and even medical services. There exists a cultural barrier since these are set up on middle class standards. Our social institutions is another example of the same system. These problems, if not now, will later undermine the basis of the whole community. Perhaps if we can break out of these in groups of individuals rather than as they appear in departmentalized units, we can hope to develop human resources. The need for co-ordination of all services provided through welfare with others in medicine and education is imperative, not only in a program such as ours, but in day care generally. We cannot play a respected role in society with total assistance which involves education which must remain under provincial jurisdiction. We feel this conclusion must be re-examined involving education as one component

specially where the education component does not coincide with the educational system as administered by the provincial Department of Education and I think this is particularly the case in Newfoundland where we are so dependent on federal sources for financial support. We would, therefore, like to make three recommendations:

1. that channels for obtaining federal funds to finance comprehensive projects particularly those involving co-ordination of services in certain aspects of education with welfare, be sought;

2. as in the United States, so in Canada consideration be given to federal financing of Head Start type projects, which is the type of project we have been involved in on Blackhead Road, and it must be on a nationwide basis, and I believe this is undertaken by individual provinces;

3. that a directory of funding agencies be compiled and made readily available, clearly stating the areas of service or research which may be financed through each government department or private institute—e.g. Vanier Institute of the Family—so that organizations such as ours wishing to sponsor or operate a project do not have to expend energies in search of funds which would better be used in the project, and Senator Croll has just drawn our attention to the fact that Head Start projects are being financed by a Canadian plan on a 50/50 basis but administered under the Federal jurisdiction. This points up the need for some sort of directory or some place where we could go to find out what is the best avenue for finding funds to support any particular project.

We also wish to make a general comment and I would ask Mrs. Rochester if she would do that.

Mrs. M. G. Rochester, St. John's Club, Canadian Federation of University Women, St. John's: Basic to all work with the poor is the attitude which motivates our efforts. A true attitude of respect involves the anticipation of give and take. With "disadvantaged people" this tends to break down with the expectation of the giving being all on one side and the taking all on the other. It seems to me that in any relationship with human beings we anticipate learning from them and they learn from us. Such assumptions lead us to respond to individuals who, while poor, share the middle class orientation and whom we therefore see as being able to help their people learn what we know they need to learn or acquire what we know they need to acquire. Such people may in fact not share at all in the aspirations of the community they are expected to "lead."

The current rebellion of black peoples against the negro leadership accepted by white society is a clear expression of this type of problem.

It seems to me that one thing that this committee has gone along with is the willingness to listen to the poor. This should be expanded. The rich and the poor have a lot to learn from each other, and the people in the middle too. People's feet are set on certain paths and part chosen on different paths, and they develop certain strengths on each one. We have a lot to give to one another and I think this attitude that the poor have something to teach us and we have something to give, would go a long way to break down the resistance of the ministry of the poor.

Senator Inman: I thought this was a very interesting brief these ladies had prepared over the months and I read it again. What, in your opinion, is the greater immediate need of the unprivileged low-income family? Increased welfare payments are not the answer so what are your thoughts on this?

Mrs. Rendell: Our whole attitude, way of approaching this, has been based not so much on the immediate need as on the long-term aspect because our experience here has been in a program which is designed to enable these children to benefit more fully from the traditional educational system. So it is a long-range goal and not an immediate one.

Senator Inman: I think your program is excellent but there is a need for people who are really needy. Now what can we do about these people?

Mrs. Rendell: I am afraid we have not come to grips with that. Our experience has only been over a short period.

Mrs. Rochester: Surely one of the problems of a family is watching your children grow up and repeat the same problems, see your children drop out of school and become unemployable through lack of education or lack of opportunity, and so on. The educational system does not seem to meet their needs. What they learn does not help their children.

Senator Inman: Who fails?

Mrs. Rochester: The people who are poor in Newfoundland. We have two or three generations.

The Chairman: In educating for life?

Mrs. Rochester: Yes, this is one way of learning from the poor. We do feel that education

has brought goals that must be reached, but must reach people where they are and bring people out of this vicious circle of poverty.

Senator Inman: You speak of retraining. You do not feel it has been very successful? You speak about retraining being hard to get.

Mrs. Rendell: I don't recall.

Senator Inman: On page 10. Why do you speak of hospitals—page 10, last paragraph?

The Chairman: No, there is nothing on page 10.

Mrs. Rochester: We did mention at the opening in stating problems even in medical fields, and this is very obvious in the communication barrier between the poor and the medical personnel—language problems and expectation on the part of medical personnel that poor people will ask questions as the middle class do, and of course they do not. They tend to wait until the doctor or nurses tell them and then they often get very terse information and feel these people do not care whether we live or die. This is a very broad problem and medical personnel may improve their services to a much broader respect for humanity.

The Chairman: Medical men have agreed that there are ways to improve service, quantitative not qualitative. We have not had a complaint about quality. The out-patient department is the same as it was 50 years ago, doctors are lacking in certain areas—the medical schools are not turning them out, but we have never had a complaint that quality was not good.

Mrs. Rochester: This is just an antidote. I questioned one medical doctor locally about this feeling that the doctors do not care about the people on the Hill, and he came back and said, "Can I wait?" And he said, "No, I have six people waiting and they are supposed to come at 9 o'clock in the morning and then they don't come." I know from the work I do on the Hill that a woman cannot come at 9 o'clock. There is no transportation—no buses, and cars don't go up that Hill, and yet they expect that woman will say, "I can't come at 9 o'clock." Now, they don't say, "Can you come at 9 a.m.?" but, "Come at 9 a.m.," and they expect her to say, "No, I can't come then." This is normal communication among middle-class people but it is not normal communication of the people of Blackhead Road.

The Chairman: One thing doctors have agreed on is the need for reaching out to a community on a store-front basis, such as

shopping centers and community centers. The doctors who are following them have approved of what they are doing, and Doctor Sullivan and Doctor McCracken have approved of what the boys were doing. There is the problem of 50 to 75 cents to go up and down the Hill?

Mrs. Rendell: Five dollars.

The Chairman: No buses?

Mrs. Rendell: No.

Mrs. Rochester: And they call and say that your child must be at the hospital at 9 o'clock and he does not show up.

Senator Inman: How are you finding the New Start?

The Chairman: Head Start.

Senator Inman: Well we call it New Start.

The Chairman: Same thing.

Mrs. Rochester: We read what had been done in the States under Head Start and we started a pilot program of this nature on Blackhead Road, and from our limited experience we find it has tremendous potential.

Senator Inman: Yes, it is very good. It is a five year program on Prince Edward Island and they are finding it very good. I spoke of retraining, that is one part.

The Chairman: Their problem here is different. They made an application to the federal Government for a grant for Nova Scotia. The federal Government said because it involves education they could not touch it. That is quite right from their point of view. That is their position. At the same time they did not say that there is one in Prince Edward Island, a couple in Ontario, one in Manitoba, one in Saskatchewan, and one in Nova Scotia. There are those projects—we were discussing them at noon. Now, she did not know about them and they did not inform her, so it is not her fault. Now they come to us and say, "We want to get on with the project. How do we get on with it?" Tell them it's a training project.

Mrs. Rendell: No, that is our problem. Services linked together under one project is pretty general because education is a component of day care which comes under welfare. It should be a component of attempts to work under welfare. Unless we attempt to, by bringing together all the services we need to bring

together, and if we have to go to this department for money for this and that department for money for that, it will take a considerable amount of energy to do this and we are trying to tie it all together in one parcel.

The Chairman: Yes, each department does its own funding, but I thought you were turned down by the federal Government and now you wanted to know how to get on with the project.

Mrs. Rendell: Yes. That is an example.

The Chairman: And what you are saying is that there may be a different method at this time.

Mrs. Rendell: Well, we think this is important to the whole problem of poverty—a co-ordinated approach.

The Chairman: There is a co-ordinated approach. The federal Government makes arrangements for projects as in other provinces under the program. That is how it is done in other provinces.

Senator Carter: Under the Canadian Assistance Act all other provinces do it; how is it you cannot?

Mrs. Rendell: Ontario is one.

Senator Carter: The act is there.

Mrs. Rendell: The federal Government must become involved.

The Chairman: If there is any way, the provincial Government of Ontario will get money from the federal Government. If they pay 50 per cent, they get it. Each one of these programs runs under federal Government. The provincial government pays 50 per cent and the federal Government pays 50 per cent.

Mrs. Rendell: Well, I think there is a case here for them.

The Chairman: The federal Government involving itself with education is one of the most ticklish situations, and it could not possibly touch it in the foreseeable future.

Senator Carter: Do you not think that before so long the Head Start program will be part of the educational system?

Mrs. Rendell: I hope not.

Senator Carter: Do you not think it has got to come?

Mrs. Rendell: I hope not.

Senator McGrand: Why?

Mrs. Rendell: Because it is one of the major roles we could play, to operate as a bridge between the community and the school, when our schools have social workers to go out into the community. How many schools have social workers to go out into the homes of the students who sit in these schools every day? This is the whole problem of the child as he is at home, at school, and in the playground.

The Chairman: It will be a long time before you get the federal Government to step into the educational field and give money.

Mrs. Rendell: It will be a long time before we will have social workers and allied services linked into the school system like this, and moreover, this department not being under the Department of Education.

Senator Carter: Your program is for an underprivileged group and the handicapped which they have belonging to this group. Looking at the development of education in the future and the knowledge a child must absorb in a short period of time, he will have to start much earlier; and we have expert evidence that we are wasting a lot of a child's learning capacity. A child can learn most of what he needs to learn in the first five years, and we could utilize these years at a much earlier age, do you not think so?

Mrs. Rochester: I think we should begin the educational process of children earlier than we do. I think there is another Head Start needed—an organization which could help to deal with the school system itself. It is a characteristic of prejudice that you do not learn from people from whom you receive prejudice. You just do not learn. And, I think schools have prejudices that they do pass on, and I think there is a certain amount of learning needed. Head Start has a responsibility to start this, and it is more crucial. If people are in the medical class they are told to learn from the medical class. On the Hill we have teachers resentful of children coming to school dirty. Children go through the mud and get to school very dirty, and they have found it very difficult to learn from the school. It is humiliating and alienating and it is a problem that the school system does not have a better way to deal with it.

Senator Carter: You are both teachers?

Mrs. Rendell: Mrs. Rochester is a Social Worker.

Senator Carter: You are a teacher?

Mrs. Rendell: No, I have taught at University but that is hardly applicable.

Senator Carter: Will a child learn quicker from you or from another child?

Mrs. Rendell: It depends on what he is learning. He may learn faster from another child.

Mrs. Rochester: I think this is something that should be cultivated that children learn from parents and not from other children.

Senator Carter: I have done some teaching myself and I find a child can learn a lot faster from another child than from a teacher.

Senator McGrand: You say this reorientation toward life starts in pre-school and is tied up in the school and the home and you want to know how this can be put into a program. I think you must start with orientation of the teacher. Any teacher who works there, knows children have to come to school dirty. You cannot tie up the pre-school child in school and the pre-school child at home unless that understanding is there. Is that what you mean?

Mrs. Rochester: Yes.

Reverend Raymond D. Tucker, Minister of Cochrane Street United Church, St. John's: I am the Minister of Cochrane Street United Church in the city and do not want this group to think there is only one Head Start program. Three years ago we started a Head Start school at our church. I believe there are very definite community resources available for this type of thing if we can only tap them. I appreciate Mrs. Rendell's point and would like for the Government to help, but I think we reach out to the Government for many things we ought to do ourselves. I believe there are churches waiting to get involved when we can show them it is workable and feasible. In our church we have allotted \$1,500 a year for Head Start. We pay a woman to run it. We have volunteer workers picking up children in the morning all over the city and bringing them home in the afternoon. We have a retired deaconess who visits the homes and points out the needs of the homes of children we could be helping. It is not on a denominational basis.

The Chairman: What are their ages?

Reverend Tucker: Four years.

The Chairman: From four to what?

Reverend Tucker: Just four—pre-school.

The Chairman: Pre-kindergarten?

Reverend Tucker: Yes. I believe we have churches and resources in our city we need to tap before waiting for the Government. And Miss Burry reminds me that we have another Head Start school in the west end and Mr. Fraser, Director of Emmanuel House, has initiated one at the Y.W.C.A. from local resources.

Senator Inman: Your churches do it?

Reverend Tucker: Yes, Miss Burry can tell you more about that.

Senator Fournier: How many in the group?

Reverend Tucker: Fifteen. The same 15 all through the year. Next year we will take another 15. I know it is a small number but it was an experiment started 3 years ago.

The Chairman: Three years ago you took 15 and the other churches took 15.

Reverend Tucker: No.

The Chairman: Dealing with yourselves alone, you took four-year olds. They had two years in kindergarten. Tell us how they find it?

Miss Stella Burry, retired deaconess and social worker, United Church of Canada, St. John's: One of the sources to which we turn to seek some appreciation of the help given to the child in preschool is the school. We went to the teachers, we went to the schools, and the schools assured us that these children were much more ready for school than the average child and we would keep in touch with the mothers. Sometimes they were not able to explain just how the child had been helped. This is an area in which we have not gotten much help. I, as a deaconess and social worker, have done some work, and it seems that people who were inhibited, frightened, and withdrawn in the first approach, gradually opened up and started talking with visitors, me for instance, and others visiting the home. The children were much more brighter and interested in things.

Senator Carter: Are these from low-income families?

Miss Burry: Yes, mainly from low-income groups where the culture of the home is not as rich in some ways as you would find in some homes. In these homes you rarely find a book of nursery rhymes and play things are plastic things. This is something he gets in Head Start of course.

Mr. John McCarthy, Social Assistance Recipient. St. John's: I am one of the poor discussed across the country. The university ladies skirted around and didn't delve too deeply into what people need, to my mind. In this country there are only two levels of government, federal and provincial, and in some parts municipal. I have read a lot of reports put out and there are people responsible for the administration of these programs. Here they call it social services and rehabilitation, but rehabilitation is only a joke. There is no way to rehabilitate.

The Chairman: That is the point both these ladies made here.

Mr. McCarthy: I hope they have gone into it strongly. We have too many social workers who do not know what they are doing in that they cannot communicate with people. I am on social assistance because of medical problems. I have been three years on it, and after my operation last year was the only time I saw social workers to give me help, because I am still handicapped. When my wife went to work, he was working four days when the social worker came in. Like the turkey, soon as he ops his head up we try to keep him down, as soon as initiative is shown this is the end of rehabilitation. I am sorry I could not be here this morning when Mr. Neary was here, the minister. That is one question I would like to know—where is the rehabilitation? The poor don't want everything passed over to them but they want to be dealt with clearly and an honest effort made to rehabilitate the family. You can rehabilitate children all your life but the dignity of the home is not there, just because social workers are unexperienced, they cannot deal with people.

Senator Quart: You mentioned day care centers. Now, I believe, we do not hear too well, but I believe your brief mentioned that the university women would like to be subsidized some way for day care centers.

Mrs. Rendell: No, what we were looking for specifically was for Head Start, this would be a special case of day care.

Senator Quart: In other words, you would be subsidized in one way or another?

Mrs. Rendell: No, this is our problem. We want to convert to five days a week and we can't find volunteer people who will give up five days a week.

Senator Quart: Day care centers as you operate now, how many are you operating in Newfoundland?

Mrs. Rendell: Our organization is only operating one project on Blackhead Road which at present only operates on Saturday mornings.

Senator Quart: In your day care centers, if you expand their services, would it be for needy mothers, the underprivileged, or would you allow working mothers to use these day care centers when the working woman would have sufficient salary to use it? I knew of a day care center and it was for women who cannot pay for the services of someone to look after their children when they were working. They would operate in this way, the underprivileged poor woman would be able to use that care center for free but the woman who could contribute something would have to pay. Have you ever thought of that?

Mrs. Rendell: Well at present there are four or five day care centers in St. John's but they are not concerned with our operation. They are privately owned centers. They charge a flat rate, and to my knowledge, there is no existing service in St. John's where you could have a child looked after without paying a standard fee. They are only available to people who can afford them.

Senator Quart: There is nothing for a woman who cannot?

Mrs. Rendell: No, nothing.

Senator Quart: My personal opinion is that those day care centers where volunteers do such a tremendous job, should not be available to persons who could pay but should be available to the poor people.

Mrs. Rendell: There is a very great need for that.

Senator Carter: Your problem is financing. You need more money and you have not gotten much encouragement from the federal government and you have not explored the possibilities under the Canadian Assistance Plan of the provincial government.

Mrs. Rendell: No, we felt this was so great that it would be unlikely that they would undertake an additional area.

Senator Carter: Have you gone outside to organizations like the Kiwanis, Lions, or the Legion?

Mrs. Rendell: Yes, and the indication is that this would not be successful, but we will have to go now and explore these other areas.

Senator Carter: Well you know how the School for Retarded Children got started.

Mrs. Rendell: Yes, when this is an established need then the government will have to take it on, but I don't think they would now while it is in the experimental stage.

The Chairman: The money for education comes from the federal government and despite what you ladies are saying about the educational aspects, the biggest amount for education which the federal government can give is 50 percent and this should be enough for them to come in and accept this project even though the educational situation is relatively tight.

Mrs. Rendell: This is something in which they are not already involved. I think this type of thing appears in the context of the federal treasury as a "frill". We are and have to wait until we can afford this. We will have to go to the provincial government and say we can do this now and we cannot.

The Chairman: It is inevitable that the provincial government will have to undertake programs from time to time which they have not yet undertaken and they will be programs with society. I am no expert on the finances of the provincial government but I will tell you one thing, the finances of the Government of Prince Edward Island are very tight and if they found it you can find it.

On behalf of the committee I do thank you for what you are doing and for the information you have given us here today. The work of people like yourselves will not go unrewarded. Just stay in the fight.

Mr. Anthony Ryall, Thorburn Road, St. John's: At one time in history poverty was something of an incentive, it drove some men to achieve great goals, it made them open up new frontiers, and build empires beyond their seas. A lot of great discoveries were made, and a lot of necessities were gained, because some of our forefathers were without. But today conditions are not the same, and the psychological effects of poverty is very much different.

Poverty in this province must be halted, and quick, or reduced immediately, because in its present brutal state it's breeding thieves, prostitutes, wineos, and the slyest of con men. Our youth who cannot, and are unable, to make it to the mainland, are degenerating into all the worst things young people can degenerate into.

It must be evident to this committee if they have read the Social Assistance Acts, and compared it with the high cost of living in this province, that it's impossible to even think

anyone can subsist on such a meager dole. Families are being broke up every day. Jealousy amongst neighbours is at times so intense that fights break out and end in lifetime feuds with children carrying unconscious hates for ever in their hearts.

And the wide disparity between the income of those who administer and operate the welfare system, and the miserable pittance doled out to the recipients, makes respectable people shudder. Starvation is no joke in this province but a grim reality. Reverend Roland Wells of Brigus, Conception Bay, has time and time again said that he is sick and revolted against burying people of his parish with "Death by Starvation" on the death certificate.

Friday, March 29, 1968, was a very dark day for the poor of Newfoundland because on this day Dr. James McGrath brought down the most cruel budget ever to be presented and passed in Newfoundland. It contained the fact that welfare payments were to be cut from 1 to 29 percent. It said:

Heads of families who formerly received \$35 per month will be reduced to \$25 per month, the next adult in the family, usually the wife, will receive \$25 per month instead of \$30 and each child has its share cut from \$20 to \$15 per month.

And to further quote his words:

A saving of about \$600,000 is to be achieved in the Department of Welfare by reducing the rates presently paid to needy, sick persons, temporarily incapacitated and to persons whose applications for long term assistance are pending. For the past these persons have been paid at the long term assistance rates. In future, they will be paid at the regular short term assistance rates.

Their excuse was that they made it less competitive with work rates. That meant that there were people working here getting not much more than they were getting on welfare. That was their reason for doing it, and maybe they hoped to discourage some from applying for relief.

In order to implement and enforce such an act of primitive brutality, they then hired on 30 to 40 social workers. With the support of the Justice Department, they forced acceptance. Some heads of households refused to accept this miserable pittance at first. They arrested them and charged them with "refusing to provide the necessities of life for wife and children," and in order to subdue them they were thrown in prison. Such acts of bravery were never commended.

A child on welfare today in Newfoundland. In Canada, one of the very richest countries in all the world, where they have to slow down production in order to prevent surplus, where

waste is staggering massive and revolting, this little Newfoundland child, usually of British stock of good honest hard-working parents, was ordered on March of 1968 to get by if it could on \$3.76 per week.

Are we Canadians, or are we just another ethnic group to be joked and laughed about all over Canada. They have Oxfam marches and funds to stop genocide in remote corners of the world when all the time in Newfoundland, Canada, that beautiful Christmas Tree Province, genocide by starvation has been in practice for quite a while with much success.

After making a thorough investigation into all aspects of poverty (not to be led astray by the Minister of Welfare), I suggest that you take off right away to see the Prime Minister, who in his just wisdom and mercy, will, I'm sure, form a royal commission to look into the brutal actions of this cruel dictatorship who hides behind the protective cloak of liberalism.

On March 29, 1968, by cutting welfare they saved \$2,001,000, and in the following year Mr. Val Earle made a further cut of \$600,000. In doing so he stated (I quote from the "Bulletin" of May, 1969):

We have decided that at all and any costs we will balance the Budget. We will keep Newfoundland's name good in the financial markets of the world; we will maintain Newfoundland's credit; we will prove to all concerned that Newfoundland has the courage and the skill to balance its budget.

How noble of Mr. Vale Earle!

For a starter as a remedy to our poverty, if our government, or the federal Government, would appoint a representative of the fish trade to go to the province of Ontario to capture the fresh fish market there (there millions of pounds of fish is consumed in Ontario every night by the young people), if they once got the taste of fresh Newfoundland cod, instead of the stuff that's being imported from Japan and Portugal, we would have one of the greatest markets and enough to keep Newfoundlanders employed all year round. Just think, they cannot get Canadian fish in Canada and import fish from far-off Japan. I guess the Japanese salesman was always on the spot and conned them into making some kind of a trade deal.

One day Canada may wake up. Let's hope it won't be too late.

Reverend Allison Fraser, United Church Minister, Director of Emmanuel House Community Centre, St. John's: Mr. Chairman, might there be a supplementary statement about long and short term. The short term rates are \$25 per month for head of family, \$25 for the second adult and \$15 per child, so that a husband and wife and one child receives \$65 per month.

This is the amount they receive from welfare. The long term assistance rates are somewhat better and they were the ones that were quoted.

Senator Hastings: What are the long term rates?

Reverend Fraser: They are \$35. I could not give them quite so simply. There is an allowance for household expenses and for clothing. In short term there is no allowance for either one. Short term does not mean short term, it may go on for five years. It is what the ordinary person calls "able bodied relief." The man is capable for work if there is a job. I think it should be understood in Newfoundland at the moment we have officially 15 percent unemployment, it is accelerating and might be recognized as 22 percent, and the group among whom I work 85 percent and occasionally 90 percent. Part of the reason is lack of education and lack of training. We spoke about retraining, quite a few had no training in the first place. It is a difficult problem and there are just no solutions at the present time for many of the untrained.

The Chairman: I think there is one thing the senators will be happy about. We knew it existed but would like to get our hands on it—an issue from the department put out in full. All other departments are keeping them under the desk. We have been urging that this be done. It is very interesting. When Mr. Neary was before our committee on May 7 we talked about minimum wages, and in this context the following dialogue is reported on page 25 of the proceedings of that date:

The Chairman: There is another problem I thought I would discuss with you. You said that a family of four on welfare would receive about \$230 a month.

Hon. Mr. Neary: Long-term.

The Chairman: To meet the needs.

Hon. Mr. Neary: It is much less for short term.

The Chairman: Put the head of a family of four to work for eight hours a day at \$1.10 an hour, which is your minimum. That comes to \$44, a week, does it not?

Hon. Mr. Neary: Yes.

The Chairman: Multiply that by four and we get \$176.

Hon. Mr. Neary: Yes, sir.

The Chairman: So we are \$54 short?

Hon. Mr. Neary: Right.

The Chairman: He can get \$54 more on welfare.

Hon. Mr. Neary: On long-term assistance.

The Chairman: Yes. Short-term is only emergency?

Hon. Mr. Neary: That is right.

Reverend Fraser: You can only get long term if the husband or wage-earner is incapacitated, mentally or physically, or if the woman is head of the family.

The Chairman: Female head of family and doctor's certificate?

Reverend Fraser: Yes, but it is a misnomer. I know people who have been getting long-term assistance, for man and woman and two children, income \$80 a month. The government would pay this nominal minimum amount of \$50 a month and give a minimum allowance for fuel. No clothing allowance and no food allowance.

The Chairman: What is the difference where a man is incapacitated or where the woman is head of the household? Here they say about short term assistance: Senator Fournier says, "A 20-year emergency," and the Chairman says, "No. He stretched it a bit."

I do think it is progress to have this book so that you are able to discuss this freely and that it is available.

Mr. Donald Snowden, Director, Extension Service, Memorial University of Newfoundland, St. John's: Honourable Senator Croll, honourable senators, I must apologize that you have only this minute received my brief. We are few in number in the Extension Service and have not yet learned to say no to the many requests made of us. I would, however, like to thank my staff who worked so hard on this brief in the past few days.

Because you have not had the opportunity to examine this brief, I should be grateful if you would accept the following suggestion:

1. That I be allowed to read the introduction, which describes some of the factors we consider relevant to an examination of poverty primarily in Newfoundland and Labrador.

2. That I summarize other parts of the contents and read our recommendations.

3. That I intersperse selected film and video-tape during the presentation because

they will bring to you some of the people who are not represented here in this room some of the deprived people of rural Newfoundland.

Is that agreeable to you, sir?

The Chairman: Certainly. Go ahead.

Mr. Snowden: In submitting our brief from the Extension Service in St. John's, we do so with a certain amount of trepidation. In large part, this is because we are the core of part of an institution which extends throughout Newfoundland and Labrador, and it is our extension representatives based in small communities in this province who have the direct and day-to-day exposure to the deprived and the disadvantaged. We do not have that directly in St. John's. Yet because of the intimate knowledge of outport life which exists among some of our staff here, and because of our extensive use of an important communication process which was developed in this province, we believe we are in a position to be aware of some of the realities and dimensions of poverty here. Some of us have worked at the village level with the poorest of the rural poor in Canada, in Newfoundland, and elsewhere. All of us are aware, as adult educators, of the absolute necessity for the limited educational resources of this province to be used as efficiently and as widely as possible across the face of Newfoundland and Labrador.

If we have a bias in emphasis in our work, it is towards those who genuinely need our services most, the uninformed, the voiceless, the unorganized, and the isolated. We are not a research organization, but an activist educational one. Our brief may reflect a lack of statistical data. We do not believe it will err in the description of the rural condition here.

This afternoon we have taken the liberty of asking that you meet on film some of the people about whom you must be concerned. They are rural people. They are not our only concern, but those who live in places like Blackhead Road, or the Battery, or Mundy Pond, have their own powerful resources to call on in appearing before you, as well as outside and sympathetic help. We are, therefore, concentrating on taking you to rural communities through film, and it is quite probable that you may meet with some of the people in your travels through Newfoundland who appear on the films and videotapes you see this afternoon, as these films and tapes have been taken in areas to which you are going. It is possible that when you do meet them they will not speak so easily to you as they do on the film material that you are seeing. These films have been made in an atmosphere of complete trust by the staff of the Extension Service who

live, travel, and work with the people you will see on film. It seems to me that with the deprived, conversation sometimes comes easier with a man they know. We have had to extract the film material for you from the total of more than 100 films made here. They were not made as support or illustrated materials for briefs to your committee but as part of a process in improving communications in Newfoundland and Labrador. The first and last films you will see represent complete statements by the people on film. The others are extracts.

Now I would like to read my introduction Senator Croll:

The material in this brief is made on the basis of first-hand observations by members of the staff of the Extension Service of Memorial University of Newfoundland. It reflects experience in dealing with the rural deprived, not only here but in other parts of North America. It is acknowledged that our brief fails to touch on some of the more easily identifiable and measurable dimensions of poverty; nor does it attempt to describe the conditions which have caused Newfoundland people throughout the period of European settlement to live under constant hardship and frequent deprivation. Statistical data exists which illustrates vividly the difficulties which today face Newfoundland and its people in many ways. Such data has been included in other briefs which have already been presented to your committee, and that data will not be repeated here.

It is this data which serves as the basis for continuing attempts by governments to develop remedial programs. We know that in many ways governments are attempting to combat diverse manifestations of social and economic malaise. We are aware, also, of the difficulties in determining needs, balancing priorities, conceiving, introducing, and administering development programs and of evaluating the results. We believe most emphatically that a root and basic cause of poverty is an economic one. We are not convinced it is the only one, or that enough attention is being paid to the myriad and complex evidences of poverty which are not directly economic ones, but which are equally vicious and debilitating causes. We are concerned that cost-benefit analysis has become the only standard of measurement for far too many bureaucrats concerned with elimination of poverty, or regional disparity, or rural redevelopment. As long as they fail to be aware that poverty involves human beings who have dignity, values, aspirations and rights and that the elimination of poverty is dependent on full acknowledgement of those qualities, Canada cannot be successful in whatever attempt she

makes to eliminate deprivation. For the poor will always wonder—Who are the Deprived?

It is the dimensions of the traditions, cultures, and values so evident in the total fabric of this nation which may stand in the way of early solution to poverty in Canada, for poverty is different things to different people who do not, in this country, yet know one another well. The measurement of poverty to the Economic Council of Canada may well be applicable in the urban centres of this country, in the centres of power and population. Yet these same standards which are applied nationally often have little validity in a Newfoundland outpost even in straight economic terms. Many rural Newfoundlanders falling on the economic borderline of poverty as defined by the Economic Council of Canada would be offended by being described as poor, and do not believe that they are. Most own their own homes, pay no local taxes, supply some of their own foodstuffs, and some of their own fuel, and have the benefits of excellent subsidized programs of higher education for their children. They, like the people of rural Quebec, have lengthy traditions and solidly rooted values which provide a richness to life not usually associated with poverty.

Yet in some vital respects they are poor, for their local experience and knowledge have not been sought as a matter of practice in the development of remedial government programs for rural Newfoundland. They have not been encouraged to understand power through organization, they have suffered from the debilitating effects of a primary and secondary education program with substantial defects built into it, and they are frequently without adequate information on which to make basic decisions about the direction their lives can take. There has been, and is today, a strong feeling in much of rural Newfoundland that there has been far too little knowledge in Ottawa of the realities of the problems of rural areas of this province, or of the factors which influence the ways rural people think and act here.

All these are manifestations of poverty—but a reflection of the poverty of whom? Certainly it is a direct reflection on the ability or the desire of the nation to overcome poverty, when in one Newfoundland community, within a recent winter, three people died when no medical help could be obtained because the community had no form of telecommunications with the outside world. It is the poverty of the nation when communities in Newfoundland have no teachers for years or when citizens who cannot even receive state-financed radio are aware that the public broadcasting corporation finances colour television. It is a poverty of the nation when one large piece of the terri-

tory of this province is never shaded in on federal maps indicating rural areas for development under federal programs, perhaps in the hope that those areas and their inhabitants will continue to bury themselves under the silence of their poverty until they disappear. It is poverty for the whole nation if children in this province go to schools which have no programs of art, music, or organized sports. It is poverty for Canada if the fishermen of Newfoundland and this region are so unorganized that they do not have a single telephone in Ottawa through which to participate with the federal Department of Fisheries in developing rational programs of fisheries expansion. It is poverty for Canada if the majority of Canadians do not understand that most of the poor here want employment and strongly resist the loss of sense of purpose that comes with the acceptance of welfare.

Canada is a poor nation if it provides funding only for technical or vocational education for its poorer adult citizens and fails to support social education to equip these citizens to be more effective with a sense of involvement in the society in which they live.

We believe that Canada has it well within her power to eliminate poverty in all its dimensions and that it could be concerned with doing so. We also think that lack of awareness by Canadians of the reality of poverty, or national indecisiveness in dealing with it, will leave a heritage of anger, frustration and hostility which is already much in evidence elsewhere. The remedies later will be far more costly, far less certain of effecting cure.

I would like now to show you a film which was made on the coast of Labrador by our film unit in the summer of 1969. This is a film with a man named Ray Ward, who is a fisherman, and he lives in a community on the southern coastal Labrador called Snug Harbour. Like many of the fishermen of coastal Labrador, he has two homes, a summer home for the fishing camp and a winter home where they live less exposed to the conditions right on the coast. Ray Ward discusses communications, schooling, and resettlement.

As I said earlier, the film was not made for the purpose of screening to your committee, sir, but I believe that you will be interested in what Mr. Ward has to say. I would ask you to listen carefully now because Mr. Ward has an accent from that part of the coast of Labrador and some of us who do not live there, who live in Newfoundland, have some difficulty at the start hearing it ourselves, but I do not think you will have too much trouble. We would like to show you that film.

(FILM SHOWN)

The man who is doing the interviewing there is the man who is working with your people in

organizing your trip to the coast of Labrador and he, of course, is not here. He lives in Cartwright, on the coast. I will try as best as I can to answer questions myself about Ray Ward or about the conditions on the Labrador Coast and if you wish to pose questions now about that, I would like your permission to call in the man who was the cameraman, during the whole of last summer, along the coast.

Senator McGrand: Is there much difference in conditions economically on the mainland as compared with that northern peninsula of Newfoundland, up to St. Anthony?

Mr. Snowden: I would say that the northern St. Barbe Coast, the northern peninsula, is not the most depressed area of Newfoundland. I would say that the coast of Labrador most certainly is, for a number of reasons. And, if I were to express my own views, which in fact I am doing here today, I would say that one of them is the fact that these people have been far more isolated. I worked for 10 years in the Canadian Arctic and when I left there in 1964 there was no man living in the Northwest Territories whom I believe is as isolated as some of the people on the Labrador Coast, certainly in terms of attention that is being paid to them by people outside. I would much sooner be an Eskimo in the Northwest Territories today, in terms of support and help that I could expect, than to be a man living on parts of the coast of Labrador.

You were asking about the economic conditions. I think that, in part, describes the reason for it being so low. Fish prices on the coast of Labrador, as you will hear in one of the other segments of film, are far, far lower for the same fish than they are anywhere else in Newfoundland.

Senator Fournier: Has transportation anything to do with it?

Mr. Snowden: Transportation certainly has something to do with it, the fact that there is a good coastal boat service there in the summertime, but in the wintertime these communities are entirely cut off, except for ski-dos. Incidentally, although it is not in our submission, it's an oversight on my part, it is one of the smaller recommendations that one would wish to make; but I have heard all across Arctic Canada, and all along the coast of Labrador, the same plea, that ski-dos are to the people—to the trappers of the country—the same as farm equipment is to the prairie farmer, and they beg for some assistance in subsidizing gasoline prices for them. A ski-doo to a man on the coast of Labrador, or in the Northwest Territories, is what he depends on for his livelihood in the wintertime.

Senator Fournier: What would the price of gasoline be up there?

Mr. Snowden: I am sorry, sir, I could not answer that in terms of winter prices. There is a variation between winter and summer prices.

Mr. Harvey Best, Head of Film Unit, Extension Memorial University of Newfoundland, St. John's: Last winter it was 85 cents a gallon.

Senator Fournier: And in summer?

Mr. Best: It would be the same.

Mr. Snowden: In some places. Somebody mentions on one of the films that it was a dollar.

Mr. Best: They add the oil and it comes to a dollar.

Senator Carter: This Ray Ward he kept talking about Fishery Products, The Room, was that a little pelleting plant there, or was it a cleaning plant? What was Fishery Products doing there?

Mr. Snowden: I will ask Harvey Best, but first of all, Senator Carter, there are no fish processing plants of any kind on the coast of Labrador.

Mr. Best: They are strictly supply stores.

Senator Fournier: They collect what?

Mr. Best: They collect fish.

Senator Fournier: Sir, could you point out on the map of Newfoundland whereabouts we saw that?

Mr. Snowden: We are talking about this area in here (indicating on map).

Senator Fournier: Oh, Labrador.

Mr. Snowden: The Labrador Coast, this area in here (indicating on map).

Senator Hastings: Why did he keep referring to Charlottetown, did I get it right?

Mr. Snowden: You are correct. There is a community on the coast called Charlottetown. It in no way resembles the other Charlottetown, except that it also is a growth centre, and what Mr. Ward was describing was his inability to justify to himself going in to a designated growth centre, going to a resettlement

centralization point, where there is no hope that he can earn any money at all. He would much rather, as he said, stay where he is and at least have the dignity of not being dependent on us.

Senator Carter: Well, why is this a growth centre, what is making it a growth centre?

Mr. Snowden: There are certain facilities in Charlottetown which don't exist in some of the... Charlottetown is not a large community, but it is...

Senator Carter: But I mean, it is going to grow, it is a growth centre?

Mr. Snowden: That is right.

Senator Carter: What is expected to make it grow?

Mr. Snowden: It has a school for example, which they do not have in Snug Harbour or Norman's Harbour.

Senator Carter: Well, certainly they do not describe that as a growth centre because you have a school there.

Mr. Snowden: I am not in any way, Senator Carter, equipped to describe the rationale for resettlement in Newfoundland at all.

The Chairman: No, but what he said is that it is big enough as it is. He thinks that those things frighten him, and he shys away from them.

Mr. Snowden: I would submit, Senator Croll, that what he is shying away from is a dependence on the taxpayers of Canada above all else.

Mr. Best: He is saying that it cannot support any more people in this area, not that he is shying away from it.

The Chairman: Fishing would be the only industry there?

Mr. Best: They do not fish there, sir.

Mr. Snowden: Fishing and trapping.

Senator Carter: But somebody designated that as a growth centre and are trying to persuade these fellows to move down there. Is that correct?

Mr. Snowden: Yes, although the degree of persuasion is parallel to the degree of involve-

ment in all other ways along the coast of Labrador.

Senator Carter: How many, I did not quite get, how many families were there in this?

Mr. Snowden: Four crowds, sir.

Senator Carter: Yes, that was four families in that Snug Harbour.

Mr. Snowden: Although I could not say, without knowing the community, what kind of extended kinship group he is talking about there, whether in fact he is talking about four families or whether he is talking about. . .

Mr. Best: It is four families, sir.

Senator Quart: Before these ski-dogs did the people use dog sleds to travel?

Mr. Snowden: Yes, some still do, but not many now.

Senator McGrand: May I ask this question: are the economic conditions along that Labrador coast nearly as good as conditions along the Greenland coast as carried on by Denmark?

Mr. Snowden: Certainly since the Greenlanders and the Danes have found Atlantic salmon they are not, where Greenland fishermen can earn \$12,000 in three months. There is nothing like that earned on the coast of Labrador by very many people. To illustrate the difference, I was talking in March with a man in Cartwright who had taken 1,700 drafts of fish. A draft is a unit of measurement of a quantity of fish. He had taken 1,700 drafts of fish last year for which he received \$8,500. Had he been on Fogo Island, which I hope to discuss with you later, he would have got at least \$17,000. At the very least \$17,000.

The Chairman: Why the difference?

Mr. Snowden: Because they do not have any other information that tells them how they can market their fish, or the prices. They have no awareness of market conditions at all in the fishery; they get no information on fish prices whatsoever.

Senator Cook: Will the new Marketing Board help that?

Mr. Snowden: Theoretically, it will. Theoretically it will be in two ways. First of all the Fish Marketing Board will provide immediate, or

relatively immediate, cash upon delivery of fish. This is something no man on the coast of Labrador has ever had for his fish. He settles up at the end of the season and he never knows what price he is getting for it. The second advantage, and, Harvey, you could add to this. Mr. Best is the head of our film unit here, but in addition to that, he is the producer and host of a weekly program for fishermen on television, called "Decks Awash" and is much more of an authority on the fishery here than I am. But I would suggest that the second advantage that may accrue to fishermen on the Labrador coast is that they will get a guaranteed price which they will know during the season, rather than having to wait until they are settled up at the end of the year.

Senator McGrand: Do you attribute the success of Fogo Island to the fact that they have organized a co-operative on Fogo Island?

Mr. Snowden: Hardly that, sir if I could leave your question for a little while, I intend to discuss that later on.

Senator Cook: That guaranteed price for fish would approximate the proper market value. would it not?

Mr. Snowden: Yes, it would. It would be lower than the eventual settlement, probably. One would hope so, that is the basis on which it is being established.

Senator Carter: How would Ray Ward dispose of his fish now? He is getting supplies from Fishery Products, from The Room, and is he taking his fish there for Fishery Products to pay for the settlement?

Mr. Snowden: Yes, sir, he is.

Senator Carter: And Fishery Products?

Mr. Snowden: Are putting it on the books, you see, and it balances out at the end of the year.

Senator Carter: Without any price at all until it is marketed?

Mr. Snowden: Until it is gone. The fish is gone before it is balanced out.

Senator Carter: He does not know whether he is getting gypped or not?

Mr. Snowden: No, sir. This is exactly the same as the Northwest Territories of Canada was until 15 years ago.

Senator Cook: Well, when you sell on open account like that, the law demands that you

get the full price, does it not? I understand that it does.

Mr. Snowden: It may demand it, sir, but it is certainly not the practice.

Mr. Best: The Labrador prices are generally very much lower than those in Newfoundland and they are down, as you said, 50 per cent. Now under the Salt Fish Marketing Board the agents will receive a fixed fee, so in theory, the people on the coast should get the full market value, but it depends on what the agents can persuade the Marketing Board that they should receive in between, and the organization that they are in.

Senator Carter: Yes, I know but under the Salt Fish Corporation, the new one, the Marketing Board, do they not have a set fee for everybody? The fellow in Snug Harbour who goes to Fishery Products will he not get any bigger fee than somebody down in Fogo or somewhere else?

Mr. Best: That has not been worked out yet, sir, and the fishermen are a little wary about it.

Senator Carter: The Salt Fish Corporation is said to guarantee a price to the fishermen, and all fishermen, and they have not got one price for a fisherman in Labrador and another one for a . . .

Mr. Best: The agent will argue that he has to go up there and therefore he deserves a greater price.

Mr. Snowden: Yes, the collection costs are higher on the Labrador coast, for example.

Senator Hastings: The agent of whom?

Mr. Best: Fishery Products will be the agent.

Senator Hastings: Who are Fishery Products?

Senator Carter: Well, this agency is a transitional setup. Theoretically they will disappear in time.

Senator Cook: Anyway it is a step in the right direction.

Senator McGrand: If the Northern Peninsula is not the poorest part of Newfoundland, what part is?

Mr. Snowden: When you are talking about the Northern Peninsula, sir, you are talking about this area (indicates on map). The area I believe is the poorest area in Newfoundland is this whole coastal area (indicates on map). I do not

regard the St. Barbe Coast by any means as being the poorest part.

Senator McGrand: What part of Newfoundland do most of the men going to the seal hunt come from?

Mr. Snowden: They come from all over the province, all over the eastern part of Newfoundland. These men here are landmen—they hunt seals themselves.

Before we screen any more film material, I would like to discuss two things which I think are manifestations of poverty and submit to you two recommendations concerning them. The first concerns communications and the second concerns organization. You will see in our brief that we support some of the things which were said in the Report of the Task Force on Government Information about getting to people and receiving from people information, people who are not normally heard or reached. We have some observations generally on what happens to the poor in terms of information and I would like to read just a page, I think, of my submission:

We submit that the poor receive less information of real importance to them than any other group of citizens. Their opinions are sought less than any other segment of society. People are poor, we submit, if they are not well informed about matters of vital and personal concern to them; they are poor if a blind and uncaring bureaucracy planning for the manipulation of their lives, ignores them, and gets away with it.

In most of Canada the devices for exchanging or obtaining information are easily accessible to most of us—telephones, broadcast television, government offices, frequent and until recently, regular mail deliveries, public libraries, broadcast radio, daily newspapers, magazine racks and book stores. This accessibility to information allows citizens to make real choices about the directions they will take in their lives and provides opportunities for all of us to expand and diversify our interests and goals. But these sophisticated services and facilities, which are taken so much for granted by most of us, are a myth to many people such as there are on the coast of Labrador. I believe the people there have been ignored in terms of information in as callous and miserable a fashion as even the most isolated resident of the Canadian Arctic.

We go into the business of public broadcasting and you may think honourable senators that we should not be appearing before this committee but before another one. We would submit seriously that information to the poor and from the poor is a cause of serious concern to us—a lack of it. We wonder if it has not

sometimes struck the rural poor as funny that they do not receive adequate broadcasting and this applies to many parts of mid-Canada, the Canadian North, and parts of Newfoundland and Labrador, that they do not receive adequate broadcasting and television service when broadcasting money goes for coverage of the Olympic Games in Mexico, or to provide better competition to American stations beaming into our heaviest populated areas.

We believe it is a cause for shame in Canada that scores of thousands of the poor are without any public television service. Why should the poor of the Labrador Coast feel grateful to this country that only recently were they able to hear publicly-owned radio? Should an employee of General Motors feel grateful for the bonus of a mule at Christmas when his fellow workers all receive a Cadillac? We are aware of plans for satellite television which would enable remote Canadians to receive general broadcast television, but we do not believe that in itself it will meet the special immediate and regional information requirements of citizens in more isolated areas. And almost by definition, these are the poor Canadians.

We discuss an experiment in communications which has been developed in this province and which is now being carried out on the coast of Labrador using video-tape equipment. This provides an opportunity for people on the Labrador Coast to receive a television program by mail, and late certainly, but recently we have been able to work with the CBC Regional Office in Newfoundland in providing some programs to the Labrador Coast. In these smaller communities people have some meeting place usually, a television set there, with the program on from broadcast television, which has been put on tape and mailed to them, is guaranteed to turn out the whole community. Just think of the incredible informational resource we have there. This is an inexpensive device. We are not talking about the cost of broadcast television we are talking about a machine like this—a recorder which will take an half-inch television tape for a total cost of what, Harvey, roughly?

Mr. Best: \$2,000.

Mr. Snowden: For \$2,000 you can put into the most remote communities in Labrador an opportunity for the residents there to receive information and educational experiences which are totally denied to them today because we believe that broadcast television is the only way that you can get television to people.

Senator Carter: Does \$2,000 include the power?

Mr. Snowden: No, it would not include the power, but in most of the communities we are dealing with there is power. We do have small generators—a Japanese generator which we buy also for this. A cost of what—\$500?

Mr. Best: \$500 or less.

Senator Fournier: It will be at least \$3,000 before you were finished.

Mr. Snowden: Right. What we are discussing in this brief in terms of this experiment has wide application. I spent four months this past winter working in Alaska as co-ordinator of something called the Rural Alaska Development Group and it was comprised of a number of agencies in Alaska, the Alaska Federation of Natives, of which you heard recently. They have a bill before the Congress of the United States now for \$500 million for land claim settlement. That group, and other groups in Alaska, decided that they wanted a share of the oil royalties and oil lease money of the State of Alaska and they, along with other groups in Alaska, submitted legislation to the Alaska State legislature. One of the recommendations in that group's submission was that every village in coastal Alaska have this kind of equipment, plus a small and inexpensive video-tape camera. Our recommendation in fact is in some way a duplicate of that—I do not feel as if I have been pirating because I was responsible for the recommendation in Alaska as well—but 200 villages in Alaska claim they have a right to share in the bounty of the oil resource development, which the legislators of Alaska are going to find hard not to support, I think. They believe that with 200 villages in Alaska they can supply, for half a million dollars, all the television equipment like this—the recorders, and \$200,000 worth of tapes, which will do three things, and these are in our recommendation. I will read our recommendation first:

The federal Government, through the Department of Communications, should provide funds to needy communities in mid-Canada and Northern Canada which do not receive broadcast television. The funds would be used to provide a 1/2 video-tape camera, deck, monitors and tapes to each such community for three purposes: Our first purpose, we believe all citizens of Canada are entitled to receive VTR's of select CBC television programs to be played in community facilities, community halls; secondly, to provide a means for the types of adult education so desperately needed in the more isolated communities in Canada. We intend here for example, now that we have this begun on the coast of Labrador, to begin a regular service of programs in adult

education—all kinds of adult education—for people along the coast; and thirdly, and this is incredibly important I believe, to provide an important means of inter-community communications.

I do not want to go into that particular one now because we are going to hear on videotape very soon what a man on the coast of Labrador says about his difficulty as a director of a regional development association—his difficulty in getting in touch with other directors who live in other communities.

I would like to go on now to the section which deals with organization unless you would like to question me on the...

The Chairman: Please, go ahead.

Mr. Snowden: As I mentioned at the start, we have a fair exposure, and quite regular contact with rural people, not just in Newfoundland but in other parts of Canada, and indeed throughout North America. The Canadian Council for Rural Development has repeatedly pointed out that there is an all-prevailing sense of injustice in rural Canadian life, based on the impossibility of rural people making any meaningful decisions about their future in rural Canada. We believe this is equally true for many of the people of rural Newfoundland. It is governments which are providing the greatest impetus to rural change—they are providing new subsidies or withdrawing old ones from primary producers; they are implementing plans for resettlement and centralization; they are making decisions about who should do what and where and how. At the same time rural people here have not been aware that governments find it difficult to solicit advice from them as unorganized masses of citizens. We have not had a great deal of rural organization in Newfoundland until quite recently and we talk in our brief about the kind of rural organization that is developing here which involves the poor. To a very great extent these organizations have several characteristics in common.

First of all, they are citizen supported in their areas. Secondly, admittance is almost nothing. The poorest fisherman on the St. Barbe Coast can be a member of the Northern Regional Development Association, which is the first organized group of people speaking on behalf of development in that area. Now I am isolating that, there are 1800 other regional development associations in Newfoundland. That is one with which we have been working very closely. The leaders of these groups are men of intense dedication, occupying their positions of responsibility, often at devastating personal sacrifice. I do not know of a rich man who is on the board of directors of one of these

regional development associations. What you are soon going to see is an extremely poor man doing this.

These associations cover large geographical areas of the province, the Northern Regional Development Association goes up to the tip here (indicates on map) and down to Deer Lake—and indeed takes in a little part of the coast of Labrador. You can imagine the organizational problems that a group such as that have when they have no money. They have the pittance that they can raise in terms of membership fees. To raise membership fees would be to restrict membership only to those who could afford it.

The achievements of these regional development associations, although they are only basically about four years old in this province, I think have been quite remarkable. Some of them have come to the point where, after some initial difficulties in dealing with governments, for example, their opinions are now respected and occasionally sought. This I think was a major achievement for anybody who is deprived or living in rural Canada.

I hear the same complaint made all across Canada—that all the programs the Federal Government programs, ARDA, now DREE, the FRED program, have all been instituted without real consultation with the people for whom they were designed. And I do not think that it is any different here in Newfoundland. But, as I said, these regional development associations can be effective only if they include a good representative section, a cross-section, of the whole area. And in places like the St. Barbe Coast, where we do have what you would call, poverty, these associations perform a valuable service to the unorganized, previously unorganized, people of that coast. They have very serious problems in staying alive, because the finances, and their problems now are heightened because within the past year they have formed a Provincial Council of Rural Development, comprising these 19 regional development associations. Now most of the men who are in positions of responsibility in these organizations have incredible demands made on their time, and on their pocket books. There is a man in Fogo Island, whom you will meet, who has gone broke this year, he is in debt—he has no source of income, because he has devoted his time for the past four years of his life to the voluntary organization on Fogo Island that is making Fogo Island work the way it is today, and he would not, as a matter of principle, accept any money from that organization.

These are the kind of men we have in these regional development associations but they cannot meet. How do they meet? How do they get the money to travel? Where do they get the

research assistance they need? Governments are not going to give it to them. They do not have the resources themselves. How are they going to pay for a man to run, as an executive director should run, an organization like a Provincial Council of Regional Development Associations which are real people's organizations. They receive no help for their travel. No help for expenses, and most of them do not receive any direct or indirect funding of any kind, from any government agency.

Yet, I would submit that the removal of this new voice from Newfoundland, would be a catastrophe, because it is the first time that governments in this province and I think in Ottawa have had an opportunity of working with, working in partnership with, groups of citizens. I was a civil servant for 15 years. I know the difficulties in trying to work with a group of people who are not organized. Where do you go? Who is the spokesman? Where do you get your information? Who is reliable? How do you make your decisions? These regional development associations in this Provincial Council offer a really first class opportunity for governments of both senior levels to have an effective partnership with the rural people of this province and so we recommend strongly to you that the Department of Regional Economic Expansion increase its grant to the Canadian Council on Rural Development, and that the Canadian Council on Rural Development provide funds to Provincial Rural Development Council for the purposes of hiring executive directors and research staff.

Now you may very well have questioned: why the Canadian Council on Rural Development? Because after all its orientation up to now has been primarily agricultural and it has not performed anything but a council function. My argument would be that, in this province anyway, there is a reluctance, on the part of rural people, to be financed directly through a single department of government. They believe, whether rightly or wrongly, that such financing can be cut off at any point and that their organization is destroyed. You will meet when you are on the St. Barbe Coast the man who until recently was the President of the Northern Regional Development Association and the President of the Newfoundland Council on Rural Development, and I am sure that when you hear the brief submitted there that they will be talking to you about this sort of thing. We are not suggesting incidentally as you will see in our recommendation that such provincial voluntary organizations get off scott free financially. We do not do that in our own work here, we do not believe in it. If we hold a conference with fishermen on the coast of Labrador, as we do at their request, every man pays a dollar to get in there, because it costs

money, and we think that one of the first steps in understanding organization and responsibility in organization is to understand that they cost. So we are not suggesting that the federal Government should finance all the cost of a Provincial Rural Development Council. We are suggesting that they finance the executive director's job and the research assistant's job but that the clerical staff and travel money should come from sources other than DREE.

I would like now to run four sections of video-tape. The first one is made with Ray Rumbolt who lives in the same part of the coast as Ray Ward. He does not look like a poor man. In fact, some years he is not. Last year there was failure along the whole coast of Labrador in the fishery and Ray Rumbolt had no income. In addition to being a fisherman, however, he is a director of the Coastal Labrador Regional Development Association, which is the only citizens' organization along that part of Newfoundland and Labrador. He discusses the problems that he has as a director in an organization with communications the way they are along that coast. I think we will stop briefly between each of these segments—very briefly—so I can introduce the next person who is coming on. The first one then is Ray Rumbolt, fisherman and Director of Coastal Labrador, and he lives at a place called Mary's Harbour.

(FILM)

In the next segment Ray Rumbolt tells how they help fishermen.

(FILM)

We move now from the Labrador Coast to the St. Barbe Coast and we meet here Father Desmond McGrath, Parish Priest. He has since become very active in organizing a union there. He speaks in this segment about communication and the effect of organization of people on that coast—an organization that already existed when he went there.

We have a section in our brief which deals with residential centres but we will not deal with that since we are running beyond time. That does include a recommendation. There are other documents which support this, written in Newfoundland, which say we totally subscribe to the efforts made by the government to upgrade the deprived especially in basic and upgrading adult educational centres. We have an excellent College of Fisheries in St. John's which is providing a kind of trades education which is very desperately needed.

We wonder what a nation is doing in training its people to be competent tradesmen if it is not at least concerned in some way with train-

ing them as responsible and involved citizens and this is what the section of our report deals with here. I think it was Senator Carter, although I am not sure, who asked the question related to resettlement to growth centre. Yes, it was. We feel a bit remiss in not dealing in our presentation with resettlement as such. We have neglected to do so for two reasons. One is that it is an incredibly complex and difficult problem for those who live in rural Newfoundland and for those who are attempting to deal with some of the deprivation that exists there. We do not feel that in St. John's on our staff here we have the expertise to deal with that problem. Had you not been going, as you are—and I must congratulate you for doing so, if you will not think me presumptuous—if you were not going to places like Fogo Island and the St. Barbe Coast, the Port au Port Peninsula, and the Labrador Coast, I think we would have tried to make the presentation regarding resettlement but we are not going to do so. We have fairly strong views on some aspects of resettlement and without discussing the merits of the program at all we are convinced that some of the serious problems that are occurring in resettlement in Newfoundland are occurring because of inadequate communication—that people who are being resettled are not well enough informed as to what resettlement really means and neither are the people in communities to which they are being resettled and the results that we observe in Newfoundland are results of frustration and difficulty because of basic communications not being developed prior to resettlement.

We would like to show you however two very brief segments of video-tape. One is with Andrew Swimm, from Port aux Choix, where Father McGrath was from. At that time he was a merchant and he owned a fairly large supermarket there. He is now the manager of the fish plant at Port aux Choix and he talks in his film about the deprivation that comes to people who try to move into a resettlement area and work. We are not suggesting that this as general application, rather we are showing to you as some kind of background for your own visit to that area.

The last segment of the film is with Ray Umbolt, on the coast of Labrador. He talks about resettlement, the expectations of the coastal Labrador regional development associations, and finally he talks about what confederation has meant to him. I believe, honourable gentlemen, it is close to the time we have to leave. There is an appendix in our brief called "Five Per Cent Helped Turn the trick." If you do have time please read the appendix about Fogo Island because it presents an observation about what we believe is

a remarkable and unique development in rural contemporary Canada and it has come about because of a whole series of circumstances and conditions. By far, the most important of which have been the determination of the people themselves and in spite of indifference and hostility and the lack of concern by those who had no right not to be concerned.

The burden of dealing with poverty must, we realize, be an onerous and difficult one for such distinguished and concerned Canadians as sit on this committee. We are certain that you accept our brief in the conviction of our sincerity; we would like you to know that we are aware of the awesome and important task you have taken upon yourselves. You hear much of unhappiness, and an awareness of acute and real problems is your daily concern.

We thought we would be doing less than injustice to Newfoundland, and a disservice to you, if we ended our presentation without a small note of optimism. We should like to spend some time with you discussing Fogo Island which, in the space of the last three years has given solid and important evidence of what an aroused, concerned, and determined group of citizens, can do to fight against what seemed to them like impossible odds. We think that Fogo Island offers a message of hope for others who live outside the mainstream of Canadian life.

We are going to screen for you now two extracts from one of a whole series of films which was made on Fogo Island. I know that you already know something of Fogo Island and for that reason our film screenings are going to be very brief. We would ask you, however, to remember that these films were made in 1967. At that time, as you will hear on the first part of this film, the fishermen of Fogo Island had no form of organization. To put the island in its right perspective. At that time there was an incredible fear on the island that the people there were going to be pressured into moving off, that governments had no confidence in the economic viability of Fogo Island and that they did not believe that they were justified in spending money there. I have always found that in small communities there is an incredible system of rumor and gossip, and Fogo Island is no different from most small communities I have been in. Rumors were very, very strong in the 10 communities in Fogo Island in 1967, in that people were going to be moved away. There was a sense of complete fear and hopelessness there. I am not going to say anything more at the moment, we are going to run the first extract of film. Once again, I caution that there may be some difficulty in understanding the accent for those who are not from Newfoundland. The first part of the film is with two men and they talk

about the lack of organization and what that really means to them on Fogo Island, in 1967. The second segment is going to deal with education and I do not propose to talk about that at this point, but I would like to tell you what I believe has happened on Fogo Island in terms of spirit and in terms of organization since that time.

(FILM)

One of the things that happened shortly after that film was made there, was a meeting of fishermen on Fogo Island to discuss some kind of organization. Prior to that, however, they asked for help in bringing resource people to Fogo Island. They wanted information, they did not have information, and so some people were brought there who had experience in fishermen's organizations. And while they gave a great deal of help, and unquestionably they did give a great deal of help, to Fogo Island, the people on Fogo rejected finally the possibility of uniting with this other group. They were people from the Maritimes. They decided if they were going to have any effective organization at all, they would have to do two things. It would have to first of all convince the people in power off the island, who made decisions about the island, that they were very serious about what they were going to be doing. And the second thing that they decided was that they would have to build their own facilities if they were ever going to have any viable industry on the island—they were going to have to save the money themselves. So they began a co-operative organization, and right from the first day of operation they put 5 per cent right off the top of their catch, every man in it put 5 per cent off the top of his catch, every time he got paid, into a reserve fund for his co-operative. This year that fund is going to be substantial enough that they are probably going to qualify on Fogo Island, not under any special condition for poor people, but they are going to qualify under the Industrial Incentives Act, for the same kind of grant that is available for any established co-operation in Canada.

You heard the man say that the labour is going off the island for processing the fish. After the co-operative was formed the provincial government, primarily through two departments, began to give considerable help to Fogo Island. I do not believe that that help was given without a certain amount of reluctance at the start, because in this province there has been a great deal of history of people saying they are going to do something then not performing, so I can understand the reluctance which the government might have had in becoming enthusiastic about Fogo Island right

from the beginning of this change in 1967. However, two departments of the provincial government, the provincial Department of Fisheries which has rented, has leased to the co-operative on Fogo Island, the two government-owned fish facilities there which had previously been leased to private companies and the provincial Department of Community and Social Development, which helped to fund a co-operative shipbuilding yard on Fogo Island, and which gave some money to a community worker there—these two departments—have been the outside support, primarily, that Fogo Island has received through government. One small amount of money which was given by the federal Department of Citizenship and Immigration at that time, was an important grant because it allowed fishermen from Fogo Island to travel to Tignish, Prince Edward Island, to see how the fishermen there in a co-operative organization, function, and in turn the fishermen of Tignish came back to Fogo Island and this has had, I think, a very profound effect on the conviction of the fishermen of Fogo Island that they can do something themselves, the fishermen can do something, and I would commend the department for investing that kind of money in travel. I think the Youth Travel Program has been marvelous for Newfoundlanders, as it has been for other young Canadians, but this kind of subsidized travel for people who are either poor or on the borderline of poverty, but who have some way out of it, I think it is a national investment which has a great deal of merit to it.

The co-operative really started to function in 1968 using the government-owned plant itself and in that year it put \$40,000 in labour in Fogo Island. Now that is fish plant labour that is not the amount of cash that came to the fishermen from fish which was many, many times that. By 1969 that plant was producing \$125,000 worth of labour. For the first time in its history after 10 years of being there, it was opened during the winter time, and this year they have expanded into the second plant. They are going into the fresh fish business for the first time, they have larger and better boats which they have built in their co-operative on the island and I have reason to believe that the welfare bill—60 per cent of the people on Fogo Island were on welfare in 1967—has been substantially reduced. The co-operative now has 760 members most of whom are fishermen, some of whom are fish plant workers and some of whom are just interested citizens. That represents by far the bulk of fishermen on Fogo Island and yet, three years ago, the ten communities there had showed no sign of any ability or desire to link up with one another. They had traditional rivalries sometimes

based on religious grounds because religion is a very strong force among the people on Fogo Island and sometimes through custom and tradition. There was no sense of unity on Fogo Island at all three years ago when these films were made.

I think you will observe that that is quite different today. I would suggest one thing to you, however, before we show the next bit of film. We have documented in this brief why we believe these changes have occurred and I will not go into detail on it primarily because of the conviction on the part of the people of Fogo Island that they were going to stay there in spite of what anybody tried to do to move them off. Secondly, they have had an incredible input from very, very dedicated citizens on Fogo Island who are determined that that operation is going to work. Thirdly, they have put their own money in, they have put their money where their mouth is, and they have convinced people now. For example, the banks in Newfoundland regard Fogo Island as a good source for borrowing. They will loan money to the Fogo Island Co-operative and they will loan substantial amounts of money to it also. They have had unquestionably as fine a management in that producer co-operative as there is anywhere in Canada and I would include the Prince Rupert Fisherman's Co-operative in British Columbia.

When you go to Fogo Island, however, it is quite possible that people will not talk to you in as optimistic terms as I would talk of out here. First of all, they have lived every day with the changes that have been taking place. We have observed them from outside. We have observed them sporadically, not infrequently, but sporadically. We see the changes in people here which they do not observe in themselves, their sense of confidence, their ability to deal with the government departments in an adequate and respectable and responsible way. Their ability to negotiate with fish companies. These are changes which have occurred in the people on Fogo Island which they are not likely to discuss with you when you are there because perhaps they are not aware of them themselves. Secondly, I would suggest that they are not likely to be very optimistic because what has happened there is very, very few. They are reluctant, perhaps, some of them, to believe that it really has happened. They are suspicious of the possibility of that being withdrawn from them somehow by somebody off the island. So I just add that as a possibility.

We are moving now to something which on Fogo Island in 1967 was a real cause of concern and that was the problem of education.

FILM

We are through our presentation. We have a recommendation included in the appendix to our brief:

That the Department of Regional and Economic Expansion fund a research grant for the purposes of examining the developments on Fogo Island during the past three years, and for determining the causes for that development, in the expectation that such research would provide a possible guide to rural re-development elsewhere in the Atlantic Provinces. The findings should be made public and distributed widely.

Senator McGrand: Did the Department of Regional Development have anything to do with Fogo Island?

Mr. Snowden: As far as I know, sir, it made no contribution whatsoever. You see this is the problem we have now under the DREE Program, I believe. I think we are ignoring the possibilities for intermediate development in Canada. This has happened in the United States under federal Government programs. Already in the Southern United States there is now a return agriculturally to the small to intermediate size local industry, and I think that we have made the mistake in Canada, in our direction in terms of economic expansion of rural areas, in considering only the large-scale possibilities. This is why I think Fogo Island is so very important because I think there are ways in this country, in rural Canada, still to bring people who are borderline poor, or poor people, into a viable economic and social position in this country.

Senator McGrand: I wondered how they looked on that Fogo Island development. It is small and it is not originally the idea. I just wonder how much support they got.

Mr. Snowden: I do not know, but I do know that recently DREE has sent some of its senior people in the Atlantic Provinces there, which I think is a very good sign. I understand also that they were very, very favorably impressed with what they saw there and one would hope that this would have an effect on their policy.

The Chairman: Mr. Snowden, for the brief which is submitted under your direction as Director of Extension Services, we extend to you our thanks. It is an excellent brief. It is down to earth and well done and there are many things in here that are comparatively new to us. We are looking for something that we have not seen or heard of before, and there are some very good thoughts there. The staff tells me that without your help it would have been impossible to organize the Newfoundland

program, particularly the visits to Fogo Island, Corner Brook, and Labrador, and those visits really, as you point out, will make our visit one of consequence. We thank you for your personal help and that of the members of the staff who have been helpful with you: Anthony Williamson, Ernest Strickland, Frederick Earle, and Martin Lowe. We shall see that the curriculum vite is placed on the record so that all may see who did it, particularly yours which is the most distinguished. We are delighted that you found your way back to Canada and back here amongst us. It has been a very useful and interesting presentation. On behalf of the committee, thank you.

Senator Carter: Mr. Snowden, you spoke about ARDA and FRED and ADA and these other agencies that were set up for regional development, and they went ahead more or less ignoring the local people or getting their ideas, and they all ended up in failure. And now do I get the impression that DREE is likely to make the same mistake?

Mr. Snowden: Senator Carter, I would like to correct one thing. I did not say that all ARDA programs or all FRED programs ended in failure. I believe implicitly that until we are able to find the devices for involving the citizens for whom we are developing programs, to involve them not just at the point where we have prepared the plans, but at the point where we conceive of the need to prepare plans, then we are going to have to face always the kind of disaster that we have faced with these major programs in the past. If DREE operates in the same way, if it operates without any direct and continuous and sincere involvement with the people whom it is attempting to serve, then it is going to be a disaster.

Senator Carter: I am voicing my own opinion now, I am not talking for the committee, but I have been following these various efforts down through the years, and I knew beforehand what was going to happen, for the very reason you have stated, because the plans are made; the communication is between the federal Government and the provincial government, and it is between bureaucrats in the provincial government and bureaucrats in the federal Government, who think they know best, who work out their programs, and then eventually they will impose them on the people who are supposed to benefit. I could very well see the same thing happening with DREE because you are still following the same procedures. The channel of communication between the federal Government and provincial government, between federal bureaucrats and provincial bureaucrats, and how can you

inject, that is what I wanted to get at, what is the machinery for injecting into that system, the local agencies, the local development association. Have they got to fight their way in or is there any provision?

Mr. Snowden: I think they have to fight their way in. On the basis of my own 15 years of experience as a bureaucrat in a fairly senior position in Ottawa, I now turn, you know, in the other direction and concede that although I was working in the part of the country in the North where there was very little basic Canadian interest, Southern Canadian interest, I still tended to think that all the expertise was in my own shop.

The Chairman: At what stage do they fight their way in?

Mr. Snowden: I would suggest, sir, that in Newfoundland we are already in a position where they cannot. The point is that here you have a cadre of dedicated and competent citizens all over this island who are saying we want a piece of the action. We want a piece of the decision making. We are capable, intelligent human beings, and you must provide us, as a people who are doing the planning and collecting and spending the money, with the device for working, not against you, because this is what is going to happen if the kind of development you are suggesting does not occur, not against government but working in true partnership with government. As I said in my recommendation concerning this, I think that one way of doing it is for some agency to be able to provide very minimal funding to ensure that these organizations have the kind of technical expertise themselves because they do not have it now and they are always at a disadvantage. Who are the experts? Where are your experts? The expert is the man who has the local knowledge and the local experience which no planner in my building or in the Confederation Building or in Ottawa has got.

The Chairman: Yes, but Mr. Snowden, the American experience in that respect has not been at all satisfactory. They went around and they took groups, organized here and organized there, and in the end they found they were much worse off than when they started. What they did was build Joe Smith here, who then made a hero of himself, and ran away with the show; the result was he was not doing the work for the others.

Now, how are we going to get away from that very business of carry-on. For instance, the Government is doing some of the things that you are suggesting now. You know they gave some money to the Halifax Youth Group;

they have given some money to Toronto groups and other groups to try and activate them, but yet we, in our travels across the country, cannot find these activated groups.

Mr. Snowden: Well, sir, you have come to the place where they exist. I think your point is well taken. I am familiar on a first-hand basis with some parts of the rural CAP Program in the United States, in California particularly. What I think happened there was that government monies developed organizations. Everybody knew they were on the pork barrel; they used the funds; the strongest man got the most funds, and got himself into a position of power. But what we are talking about here are organizations which have functioned on their own in some cases for four years without any assistance whatsoever. If they have not already proven their commitment, if they have not already proven the kind of impersonal stake and investment they are prepared to make in Newfoundland, I do not know how they could ever do it.

The Chairman: Well now, forget Fogo. I read up what I could about Fogo, and what you said to me today is of course a new world completely. I never heard of this before and I am very much interested in going there and taking a look. I have never been there before. But that is not an example. There was a determined group of individualists who said, "No one is going to push me around. I'm prepared to eat on a lower basis but I'm going to do it my own way." There are not too many of those people in this world today, but you have got the proof here. Forget that for the moment. I think they are a success and I believe everything you say. Let us go to other groups. There is in Newfoundland a great deal of privation and poverty. You saw the notice in the press about our meetings. Where were the poor people? We are a very sympathetic group, we are well motivated, we have no axes to grind and we want to help. Where are the poor people?

Mr. Snowden: I suggest, sir, that perhaps a lot of them are saving it up for tonight. I think you're going to find them tonight.

The Chairman: Yes, but tonight we will be dealing with a particular area that has always been in rather difficult circumstances. But where are the people from St. John's? Where were the people who spoke up for them? That is why I ask you at what point do you motivate them; at what point do you move them in?

Mr. Snowden: It is difficult to do. If you have had no reason in the past to trust authority of the kind we are talking about, I think it is very

difficult to expect that the people are going to come out and talk to what we are, we are symbols of authority and symbols of power, and with all the good will we have in the world. I think that the reason that we are able to function as well as we can, and I am not saying we function very well, is because we have people like Tony Williamson, who lives on the coast of Labrador, who will travel with any man on the coast of Labrador by ski-doo anytime in the winter along that coast, who lives in exactly the same way as people who live there and lived there for generations. The same is true of our other Extension workers to a greater or lesser extent and I think that the fact that we have access to these people is only for that reason.

The Chairman: But you have their confidence, and that confidence is not won overnight. You got it because of the result of the things that you have been doing—the things that you describe. The other people who are your former bureaucratic friends have not got that confidence and you know it as well as I do. It is not easy to get.

Mr. Snowden: Well maybe they are still in the right business and maybe I am.

The Chairman: Well I do not know, I think you are in the right business.

Mr. Walter Chmiel, Assistant Professor, Department of Social Work Memorial University of Newfoundland, St. John's: I wonder if the method by which you attempt to involve the poor people in your discussions and deliberations and searching for answers has something to do with it. I was not here when the announcements went into the press, but I would guess they were no different from any other announcement that is given by any department of government and that usually does not bring poor people or deprived people into communication. I wonder, as Mr. Snowden says, the basic premise on which there has been any success with his work and the department's work has been a reaching-out process and I wonder how much this committee has really reached out.

The Chairman: What do you mean by that, sir?

Mr. Chmiel: Reached out and gone into the areas and talked specifically with poor people, unorganized, organized, whatever they are.

The Chairman: How much of that can you do in any one community?

Mr. Chmiel: True, except, Senator Croll, you are spending the time here and you are spending the time downtown to hear formal briefs all the time. Now I wonder if just as much time were spent in going out, whether different results would be made.

The Chairman: We have gone out in other places and we have seen the people. We have talked to them in many communities—Ottawa, Winnipeg, other places. The story does not change.

Mr. Chmiel: Except it seems to me that when you probably tally the time that you spend with the so-called experts as opposed to the time that you spend with the so-called poor, I would wonder where the balance sheet would go.

The Chairman: Well, we hear as many poor as come before us and if you had been at the meeting today you would have noticed that there were four or five people who just rose out of the audience and wanted to talk. They were poor and they talked. That is the best we can do.

* * * *

The Chairman: I will call the meeting of the Senate Committee on Poverty to order on the premises provided by the Householders' Union of the Blackhead Road Community.

Mr. Augustus Breen, Acting President, The Blackhead Road Householders' Union, St. John's: I would like to present this brief which was prepared by the Householders' Union on behalf of the people of Blackhead Road, people who have lived there every day of their lives, with the hope that some action will be taken on their brief when you fellows do get back to Ottawa.

The Chairman: On behalf of the committee, I want to thank you and indicate to you that we have seen the brief. It is a credit to the organization.

I will start out by introducing to you the Senate Committee on Poverty: Senator Fournier, the Deputy Chairman, is from Quebec; Senator Inman from Prince Edward Island; Senator Quart from Quebec; Senator Carter whom you know, and Senator Cook whom you know; Senator McGrand from New Brunswick; and Senator Hastings from a place called Alberta. I am Croll and I am from Toronto.

I am going to have Mr. Gus Breen talk about the brief for a little while and give us an outline. If any of you people are inclined to join the Dialogue, give us your name.

Mr. Breen: On behalf of the Householders' Union, senators, I would like to welcome you here and hope your stay is a pleasant one. What I am to say now may sound like a rhyme or a poem but I do not want it to sound that way. What I am presenting is in three stages. The first is the history of Blackhead Road, the second deals with the problems of the present, and the third, with hopes of the future.

It is important that you know the history of The Brow. It started in the '20s or '30s—I am not sure of the exact date. People in St. John's wanted to get away from the city; they wanted to have a home of their own; they wanted to try a new way of life. I imagine they thought it was here on the Hill otherwise they would not have moved out. It did not work out for some; for some it succeeded, for others it did not. While others tried a little harder to succeed, in a small way they did. Some had to beg, borrow and steal to improve their way of life. While people were trying to do this, conditions grew worse, through lack of jobs, poor sewage conditions, etc. My father worked on the roads. They were paid on the dole, not with money. When on the dole, you get bread and butter for your table and nothing else. There was no way to improve their means whatever.

Now we will look at the urban improvements which are being made. People were told this would mean water and sewage and homes at no cost to us. We were told at the beginning this would give us a home for a home. They were not told it would cost them their homes to make these improvements. They were not told it would cost them their homes to make these improvements. They were not told that if they were landholders in the '50s and '60s that they would be in public housing in the '70s. There were feelings of mistrust. This was lack of honesty on the part of government officials to people of this community. If answers are sought to some of our problems, sometimes they are given, but they are given in such a way that it creates utter confusion among the people here. Let us hope this will change. Let the people on the Hill know where they are going to bring up their children—on the Hill in the future, or are they going to have to find another Brow somewhere else.

For the benefit of people who come up here to live, this can be the beauty spot of the whole province. People can come up here and live in harmony, but to achieve this they need schools. To do this they need homes to bring their children up in, that is, homes which do not cause us the worry of debt. We should not go in debt to find homes to bring our families up in. We need peace of mind and contentment. I would say we would need help from all levels of government to assist us make this community work. We have to be assisted in

every way possible to overcome our everyday trials—mortgages, rents, high cost of building materials, furniture for our homes, and water and sewage for our homes, and any other way we can be assisted.

What I am stating is fact. I am saying more what I feel than what I am reading. I am going to say what I witnessed. I know a man, he is dead now, he raised a family on this Hill. He worked on a coal boat. When he was finished his job working on a coal boat digging coal with a pick and shovel to get it out—he would finish his job and work on his home. Now a person who would go through that trouble to get something for themselves, they really need it. They work for it in every way possible. There are people here today going in debt as far as they can go. This is a good school but we need more space, we need a playground for safety for our children and this one school here alone is not large enough if the population increases. We need room to take them up to Grade X11. When other denominations move in they will need it to. We hope this community will be 4,000 or 5,000 in 10 years time. So, I say help us—help us all you can.

The Chairman: Mr. Breen, that is an excellent presentation. It represents something very valuable in the life of a democratic country where you can take your cause to a public forum for the purpose of discussing it. You are prepared to share that responsibility, and because you do it in that way it makes it easier for us and others to be helpful to you. It is the type of approach that gets results and be helpful to other people.

Senator Fournier: What is your population here, roughly?

Mr. James Barry, Member of the Executive, the Blackhead Road Householders' Union, St. John's: Roughly I would say, sir, around 2,500 to 3,000.

The Chairman: How many families?

Mr. Barry: About 273.

Senator Fournier: All people living in homes, are they owners of these homes?

Mr. Barry: I would say 90 percent of the people here are homeowners; they bought them and are living in them.

Senator Fournier: Have you any idea of the number of homes mortgaged or fully paid for?

Mr. Barry: I would say again the same figure would be fully owned. Sir, what we are complaining about is in one to two years time none will be owned.

Senator Fournier: Who is doing this big project?

Mr. Barry: It is a joint federal and provincial government venture.

Senator Fournier: They are going to put in water and sewage and pave the streets at the same time?

Mr. Barry: No, they are going to put sewage in the street but that is wrong, it is in the houses that people want it. Otherwise they will have to bring the night bucket as they have.

Senator Fournier: The town is going to put sewage in the street and you will pay to have it hooked up from your home to the street?

Mr. Barry: This is right.

Senator Fournier: Do you know the value of this project?

Mr. James Vinnicombe, Resident, Blackhead Road, St. John's: \$4.5 million.

Senator Fournier: When was it started?

Mr. Vinnicombe: July, 1968.

Senator Fournier: When do you expect it to be completed?

Mr. Barry: Completion date they do not know.

The Chairman: Why so long? Federal and provincial governments have funds. Has it taken a longer time than it should, and, it so, why?

Mr. Barry: Parts of the project have taken a little longer than it should but the cause is that if something pops up that the contractors have to do, the people are not told in advance. The people on this Hill are kept completely in the dark. This is my view and the view of everyone I know. It is only since the Householders' Union has been formed that we are getting information really. Before that we were in the dark. You could ask one person a question and they would refer you to someone else and you would find yourself back of the fence looking through a knothole trying to find your way around.

Senator Carter: Some people must have the blueprint, otherwise they would not know where to go. Have you been able to see that blueprint?

Mr. Barry: I have seen a copy of what is proposed for roads and building lots. I know

where the road is supposed to go and where the building lots will be.

Senator Carter: How many people have lost their houses to date?

Mr. Barry: Every resident of the Hill has his home expropriated.

The Chairman: For what purpose?

Mr. Barry: For this scheme. We received notice of expropriation for the scheme.

Senator Hastings: Could you deal with this from the start and lead us through it?

Mr. Barry: This is the problem. I doubt if there is anyone in the room who could go back to the start for the simple fact we have no information.

The Chairman: Doctor, could you put us in the picture as to what was going on? Do you know anything about it?

Doctor Biswarup Bhattacharya, President of Human Rights Association of Newfoundland and Labrador, and Psychiatrist, Hospital for Mental and Nervous Diseases, St. John's: No.

Mr. Leonard J. Hyslop, Federal Government Representative, Citizenship Branch, St. John's: I know and I confirm what he has said.

The Chairman: Explain what he is trying to say. I am finding it difficult.

Mr. Hyslop: They have not had explained what expropriation means. They know only it is the house and ground and that is all.

Mr. Edward Harlick, Resident, Blackhead Road, St. John's: We are dealing with two kinds of expropriation here. The Homes Expropriation Act is a clause within the Expropriation Act. This is a safety valve to protect the homeowner. This was taken out in 1964 to help the provincial government without the safety valve of the Homes Expropriation Act. In other words, the homes and land have been expropriated so it would not be too much money claimed to feed back to residents. At the inset or start of the project it was agreed between the federal and provincial government to rescind this law and this has been investigated.

The Chairman: Has anyone been paid for land taken by the government?

Mr. Harlick: Yes, there have been claims paid.

The Chairman: Claims for what?

Mr. Harlick: I have a first hand knowledge of house and land.

The Chairman: Other than land being used for purposes of highways, has any land been expropriated and paid for?

Mr. Harlick: All land has been expropriated. It is a matter of the federal Government giving back conveyance and paying.

The Chairman: In other words, that law is no longer in effect—and the reconveyances?

Mr. Harlick: The reconveyance, yes.

Mr. Barry: Here is the way I get it. They started off by serving expropriation notices on the people up here. This was the first thing they got. It was my understanding then that the government owned the land. Then some people were compensated for their house and land. Now there are other residents up here who were not. A resident lives a little outside the scheme. There is so much land allotted at low cost—\$500 lots. When their homes are demolished they will be compensated for their homes at very little cost. If their homes are to be demolished they will be given a building lot. We cannot choose. If I want to make the move I must be able to pay for it. If I want to move on and if they say there is a lot for \$500 out here in X, I have to go over there.

Senator Cook: Are all lots taken?

Mr. Barry: No. They vary from 50 to 80 feet. Getting back to this Family Homes Expropriation Act, when the amendment was put in, the Family Homes Expropriation Act, the people figured out they were going to have their homes replaced. Anyone with a tar shack who expected this was fairly off their heads, but anyone with a decent home, with a roof over their head and who owns the ground it is on, and then move from A to B, would have to go in debt to the tune of \$8,000 to \$10,000 just to get water and sewage.

Mr. William Clarke, Resident, Blackhead Road, St. John's: I ask the question about expropriation. What expropriation means, land and housing taken, and I looked it up in the dictionary and it said, "for public service."

Mr. Frank Galgay, Teacher, Holy Cross School, St. John's: I am not a resident of the area but I am a teacher at Holy Cross School in the city and there are hundreds of students in that school from this area. I would like to quote a

few facts. The whole idea of the Senate committee is on poverty and the whole investigation is on poverty. In January 1967, the provincial tax in Newfoundland was 28 per cent, in July 1969 the tax rose to 33 per cent and for the benefit of the senator from Alberta this tax is higher than all provinces except Alberta. Added on top of this high taxation, we have 7 per cent tax on car repairs, telephone bills, dry cleaning, and insurance. In Canada today we have the highest bank rate in its history. In 1967 the Canadian Consumer Index was 111.6, in 1969 the Canadian Consumer Index was 126.9, which is an increase of 10.1. In calculating this, \$100 in 1967 is worth approximately \$91.25 in 1969, so you can see that the value of the dollar as we progress is getting lower. Added to this in 1968 the Economic Council of Canada defined that anyone with no children would receive \$1,500; two or less \$2,500; three, four, or five in family \$3,000 or \$4,000.

I wonder if any statistics have been done to find out how many people on Blackhead Road are living below the poverty line. The students we have in school are concerned because if they cannot have proper facilities to study at home, it is bound to have an effect on their lives in school. Number two, we have to keep in mind many of their parents are and I happened to be, in my earlier days, a member of the poverty line. My parents were below the poverty line and I know what it is like to struggle. So my suggestions, as a teacher being in touch with the students every day, are:

1. I think if I could make a recommendation that the people in Ottawa get our message—that we in Newfoundland are one of the “have not” provinces east of Montreal or east of Quebec and it is essential that more funds be pumped into education if the students of the Blackhead Road are going to get an education comparable to the students of Montreal or the students out in Alberta. I think funds should be pumped into education, and I am well aware of federal funds pumped into education.

2. From speaking to me of these students the parents cannot afford to get into the ticky-tack houses of \$4,000 to \$5,000 for a piece of land and on top of that they are caught with \$20,000 or \$30,000 mortgages. They cannot do it. So the solution is low-cost housing, where people are not placed in the ghetto—in one huge apartment block where they will stay.

The two points again are, one, more federal funds to education so that the education of the students in this area is comparable to that of the rest of Canada, and two, the provincial and federal governments provide low-cost housing so that the people can assimilate in the com-

munity and that it will not happen again that they will become second-class citizens in the Urban Renewal Development of the Blackhead Road.

Miss Freda Berry, Social Worker, Medical Clinic, Memorial University of Newfoundland, St. John's: I have been visiting the homes of the unprivileged in Newfoundland and in this city during the past 21 years. I started visiting the homes in 1939 and in substantiation of what the last speaker said I wanted to give you some figures we have been working on recently. My research is on social problems and health, and social problems include health. I have the DBS figures for a low income for a family of five or more was less than \$4,000 in 1961. In 1970 I have arrived at the figure after having visited many, many homes, not only on Blackhead Road but in other areas of Newfoundland. The average income for those people receiving allowances or doing casual labour or receiving unemployment insurance benefits for a family of five or more is \$2,800 in 1970, as opposed to that level set at \$4,000 in 1961 by DBS for Canada. In this year social assistance paid at full rate to a family of five is \$2,460.

Now, I attempted to get some comparative figures from DBS and the only established figure I could get was the cost of food using Winnipeg as a base of 100. I was informed by the St. John's office that for every dollar one spends in Winnipeg, one must spend 96 cents in Toronto, \$1.02 in Halifax, \$1.00 in Ottawa, 99 cents in Edmonton, \$1.01 in Charlottetown, 95 cents in Montreal, \$1.01 in Regina, \$1.01 in Vancouver, and \$1.08 in St. John's. Now I inquired from DBS as to whether they could give me figures for clothing and all the other things that go into the cost of living. The statement I was given was that it was impossible. They could give me no other in St. John's, and I asked for the reason and was told they were not allotted sufficient funds to carry out research to arrive at these figures. So it is difficult to find out the cost of living here as compared to other provinces. DBS wants to and cannot. They have been asked by people doing research and cannot come up with it. I maintain our incomes are lower and our cost of living is the highest in Canada.

In all matters of health services we are at a deplorable level at present and I simply think that until we put a firm foundation of good services under our poor and underprivileged people they cannot begin to build a life of dignity and worth. I think the answer rests with a guaranteed annual income above the poverty level, to which serious thought is being given now, and also to indicate at the same time the problems of curbing greed on the part of some purveyors of life's necessities such as

food, shelter and clothing. I have comparative prices of a item of children's footwear, overshoes actually of a certain type, purchased here in St. John's for \$2.65 or something of that nature. In a bigger town they were cheaper and I thought this was agreed on the part of merchants. Now it is the aim of most people to improve their standard of living but this should not be done at the expense of the least fortunate and I must uphold everything said by the other speaker and they will make their way.

Mr. Barry: With all due respect to people who came up here, I have heard it said that you people came to get the gut issues. What Miss Burry said it all makes sense, it is perfectly true, but statistics you can get from DBS any old time.

The Chairman: It is up to you people.

Mr. James Williams, Member of the Executive, the Blackhead Road Householders' Union, St. John's: I would like to call on Tom Ryan of the Metropolitan Board as to the Urban Renewal Scheme.

Mr. Tom Ryan, St. John's Metropolitan Area Board, St. John's: I was not prepared for this. I have had some experience with the residents of this Hill. I lived in the west end all my life. I have been active on this Hill for a number of years on and off, in a number of capacities. The problems, as I see it on the Hill, as I read the opinion of the residents of the Hill. I know there has been \$5 million spent on the Hill already, put into sewage systems in the streets to encourage residents with homes to put them into deeper debt and poverty than they are now in. The \$5 million spent has good intentions behind it. Many more millions of dollars are needed but what it is doing is causing confusion among the people who came up on this Hill and had their own homes and then had a huge scheme thrust upon them with the purpose of helping them. It has helped them. It has caused complete distrust for authority and they have good reason to distrust certain authorities. They understood their land was expropriated but they didn't know that when you expropriate land the house goes with it. When they tried to get a court injunction to have the construction job stopped they found they could not get it because they were not homeowners.

The Chairman: Who were they—people who squatted?

Mr. Ryan: Their homes were expropriated from them.

The Chairman: Explain expropriation. Do you mean they put an order on freezing all the land?

Mr. Ryan: No, worse than that. The Expropriation Act of Newfoundland, by the mechanics of it, vested title to all land to the government and homes specified and everything in it to Her Majesty the Queen in the right of Newfoundland. In other words, the government became the owner of the property, the land, house, and everything thereon.

Senator Fournier: What act?

Mr. Ryan: The act of 1964 or somewhere around that time. The date of expropriation was July of 1967, I think, approximately around there.

Senator Carter: You say that originally the plan was to put in a sewage line.

Mr. Ryan: No sir, initially there was an interim report by an engineering company to do certain things on this Hill. This report was taken to the St. John's Metropolitan Board, a local authority, and they suggested that further studies be made. The result was what is known on the Hill as the "famous red book," the recommendation that a scheme be implemented here which could have in it water and sewage, paved roads and other things. It inferred in other ways that in all probability your homes will be hooked up to the street and you will get water and sewage and bathrooms in your houses. There was either a misconception in the minds of people or they either misunderstood what was explained. A home for a home or when the plan was completed they would not be out of pocket because of the plan, and I think I can get an answer here from the residents of the Hill.

Mr. Breen: When I was served the Notice of Expropriation all I got was a piece of paper and a lot of boundaries and lines northeast and southwest, etc., on it. To me it was like someone wrote it down in Chinese and I knew nothing about it. Before that a man knocked on my door and said how would I like water and sewage, and I said, "My God man who wouldn't want it." This is the way I was approached.

Senator Carter: This was talked about?

Mr. Breen: But not with me.

Senator Carter: It was a general plan, they were going to do something on the Hill. What was your understanding?

Mr. Breen: My understanding was this, a man came along to me and said. . .

Mr. Ryan: There were public meetings, remember, Gus? There were public meetings here, members of government and authorities who explained to the residents of the Hill the scheme. I will put the question to the residents of the Hill: Was it not the residents of the Hill's understanding that there would be a home for a home.

Residents of Hill: Right!

Mr. Ryan: And because of what is happening, because of improvements taking place which everyone is grateful for, in order to get what was promised they are going to have to go into debt, beg, borrow, and steal, in order to get what they had forty years ago when they moved up here. It is yet to be established as to who is going to pay for the hook-up to the houses. What good is the hook-up if there is no water and sewage facilities?

Senator Cook: Could the majority of houses, as they are now, be hooked up to water and sewage.

Mr. Ryan: As I understand it, the houses are from building line only. Once behind the building line it is not public property.

Senator Cook: What is the cost? The point is this, you are into heavy rock here. You have all sorts of problems. The Urban Renewal says \$700.

Senator Carter: Do I understand if they remove these houses and build all new houses they still will not have water and sewage?

Mr. Ryan: Unless the people want to pay. Another problem, Senator Carter, is the fact that you have this mass confusion which goes on with regard to authority and who is responsible for what. There was a brief submitted in February of 1969. Mr. Galgay mentioned about low-cost housing, and a brief was submitted to the committee that a number of persons could be assisted in getting homes themselves. The people who put that together got an acknowledgement of it and nothing else.

Senator Cook: As I see it, the next step is a very formal step. You have a democratically-elected body and, as you say, things are beginning to happen, and I say you simplified the task of the authorities and strengthened your own hand by doing so. Maybe other things about the cost of hooking up land and houses to boundary lines might also be solved now that you have done this.

Mr. Harlick: I agree wholeheartedly with what Tom Ryan and Senator Cook have said. I put it in the form of a letter, sir. With your permission I would like to read it:

Sir, I wish a personal criticism, not of you or your committee, you both are performing your task with great faith and fervour. Nevertheless, during this study of poverty a definition of the word 'poverty' has not yet been defined.

We who can recall the period of the early thirties have an understanding of poverty in its raw state—soup kitchens and dole when people were suffering from diseases due to insufficient food, children clothed in rags, health and most public services non-operational. This is one meaning of poverty.

Here on Blackhead Road poverty must have a different meaning. Up here most of us own our homes and have land, where welfare services give us a base where absolute poverty is unknown. The gut of our problem here on Blackhead Road is twofold. One is the basic problem of unemployment (that missing job). The second part of the problem is housing and upgrading. This again is basic. Where are the dollars that are needed to upgrade our homes to meet the higher standards under the Urban Renewal Development?

The criticism that I want to make is how can you, as a committee, spend less than a week in this under-developed area and hope to get any understanding of the problems that arise. This, to my mind, sir, is an exercise in futility.

The Chairman: Mr. Harlick, may I reply to you on two counts. First, I will tell you something about poverty and the definition of it. We have been to five provinces and heard more than 100 briefs. We are not strangers to poverty and all its many faces. It is no different in Newfoundland. Perhaps it is a little more acute, but poverty is poverty. We on the committee have a pretty broad understanding of poverty. We knew something about it before we came here. Your minister, Mr. Neary, saw to that. We are not strangers to Newfoundland. We are here to listen. We have defined poverty very clearly as you may have seen if you have followed the record of our proceedings, and I redefined poverty in the Senate chamber on June 25. I pointed out that the definition of the Economic Council of Canada is:

Insufficient access to certain goods, services, and conditions of life which are available to everyone else and have come to be accepted as basic to a decent, minimum standard of living.

I further pointed out that the definition of the Dominion Bureau of Statistics is:

A basic assumption for the main set of estimates is that any family or individual spending more than 70 per cent of total income on food, clothing and shelter is in a low-income situation and likely to be suffering from poverty.

That is the one we accepted.

Now John Kenneth Galbraith comes up with a nicely-worded long definition. It sounds good but the basic one we need is the spending of 70 per cent on food, clothing and shelter. It is accepted generally and has proven to be so. We wish we found less of it than we have been able to find.

Mr. Harlick: I would like to have other people speak up because this may be the last time we will ever see a commission. But to get down to the gut issue, before this project started someone said that there is going to be an outbreak of bubonic plague. They did not say, "We will expropriate your land." They said, in fact, "We are going to expropriate your land, but we will justify it in this way. We are going to give you water and sewage because the very reason we are renewing your area is because you have the lack of this." This is why it was justified, so Blackhead Road could get water and sewage in the houses. No other reason to get it. Now it seems to be forgotten, someone is forgetting that very reason that this started—so that someone could have a toilet bowl in their homes and not a pail.

The Chairman: Did not anyone have a lawyer?

Mr. Harlick: No, at that time we were very naive.

The Chairman: Who took the case to court?

Mr. Ryan: It was a committee temporarily set up to get the householders organized.

The Chairman: Somebody said there was an attempt made before the courts.

Mr. Harlick: Someone said, "That is not your house."

The Chairman: At that particular moment if you had had a lawyer doing it, the lawyer would have said, "Let us see if that is his house or not his house."

Mr. Harlick: My point is this. If expropriation had been done for the sake of expropriation there would have been an outcry. Expropriation was done for a very good reason—to

replace pails with toilet bowls. This has been forgotten and I wish I had someone up here to help me.

Mr. Cecil Warford, Member of the Executive, the Blackhead Road Household's Union, St. John's: We are all getting into poverty. Most of us on the Hill are in poverty because most of our people are not working. A good portion of our people—50 to 60 per cent—are stevedores. The people here in the R.C. Church here are not more than 4th grade. We do not have the education to do it. We need someone at the Canadian Manpower Centre to train the people on the Hill, like the adults on the Hill who are 32 years old or maybe up to 35 years or less. Get someone in to train these people.

The Chairman: If you wanted Manpower training, where would you have to go?

Mr. Warford: For me to go to get upgraded, I would either have to leave here to go to Bell Island or Stephenville and I have children and a house.

The Chairman: Nothing locally?

Mr. Warford: Well, they have one here on the Parkway, but in order to get upgraded we would have to go to the ones I mentioned, we cannot go to St. John's.

Mr. Breen: Mr. Warford just spoke of employment. I have been working steady for the past two years. I have my average income of \$100.00 per week. Here in my hand I hold a summons. It is for the amount of \$539.81, to me personally, Augustus J. Breen, which I owe the Great Eastern Oil in St. John's. With my \$100 a week income I cannot afford to pay this sum due to the living cost to clothe my children. This is what our problem is. I am as poor as a church mouse, although I am making \$100 a week with the company where I am working. I am supposed to be working, I am not supposed to be here tonight.

Senator Hastings: Why are you not supposed to be here?

Mr. Breen: Because I am supposed to be working. This is a lot of people's problem. Please God, I will pay it and if anyone wants to investigate it, I am in the Credit Bureau because my cost of living is so high, because I can't afford it. I wanted to get something around me and my family. I got married and I bought a house over the Hill for \$500. Some people would say he bought a "shack" for \$500. It was what I bought and no one could come and take it from me. While I have this

"shack" any man here would be proud to walk into it for cleanliness and everything else, and for things around me, a washer to wash my clothes, I have a \$50 TV set I bought in a second hand store. I have a chesterfield set in my home. I had to get it out on payments for my guests coming in and they are all working. Try as I may I can't get out of bloody debt and the only way is if I can win one of these commercials on cigarettes.

Mr. Ryan: I think there is one other point that should be made with regard to the concept behind this plan. It was intended that people get compensation for the excess land taken from them and turned into building lots. Now it was mentioned around that the Family Homes Expropriation Act was amended. That is a local act. It was to provide for extraordinary compensation for situations just like this on this Hill and instead of normal market value. Mr. Breen said he bought a house for \$500. That would be normal value under the Expropriation Act. No provision was made for disruption, upheaval, or getting thrown out on the street, as was provided in the Family Homes Expropriation Act.

We had an incident here in St. John's, and legislation brought in that they would get extra compensation for it. Now, when this scheme went ahead the federal Government said, "We are not going to have the Expropriation Act amended because we cannot pay the expropriation that would be paid normally." Any person who has an expropriation notice served on his home is termed by some authority to be substandard. He will get \$200 for his home, and that will not buy him a decent lot here on the Hill. This will not help him to get relocated.

The Chairman: Parliament recently dealt with the Expropriation Act, which is now one of the most enlightened acts in our country. We took the act and tore it apart. How did we get into the picture here?

Mr. Ryan: The situation was this. The interim report of this Urban Renewal Scheme, the red book, was sent to Ottawa for Ottawa's participation in this scheme. They were to pay a certain percentage of it. They had to approve it before they could be involved in the scheme. The residents of this Hill were deprived of extra compensation they would normally have gotten to eliminate some of the hardship they now know.

Mr. Walter Carter, Member of Parliament, riding of St. John's West: While I agree with Mr. Barry that this hearing should be restricted mainly to people in this area, I have the honour to represent St. John's West, part of

which is Blackhead Road area. I want first of all to endorse the brief submitted by the Householders' Union to this committee and to ask the honourable senators to study the brief and to take back to Ottawa the message that the people of Blackhead Road are not content to be treated as second-class citizens, and that is how they have been treated. The people of the Blackhead Road Area have been treated like second-class citizens. I cannot think of any other people in Canada who would put up with what these people have had to put up with here in the past two years. I have brought this up in the House of Commons.

Like people in Alberta, the people of Blackhead Road are flesh and blood and have the same desires and the same worries that other people have. Just two or three weeks ago there were three houses bombed with boulders from a blast set off without being properly planned. Contractors show such a complete disregard for people it is unbelievable. Boulders came down through houses and there were pictures in the papers that homes were bombed by boulders. This is an infringement and they should not be expected to condone this treatment. I do not think that any other people in Canada would stand by and see this happen. There have been people's properties taken by the government under the guise of expropriation without paying the price or anything else. People were awakened in the morning to hear tractors going over their property without the courtesy of any warning at all.

This committee did not come here to hear about the Urban Renewal Scheme on Blackhead Road. You are here to hear our problems of poverty, and may I say from the people in St. John's West, we are glad to have you here and before you leave there will be a vote of thanks. Let us show it by our applause.

We did not invite you here tonight to nail your heads to the floor, to embarrass you people, but in this area there is a great need for dialogue with people in government. There is a great need for dialogue with relation to poverty. I would say, by and large, the majority of people living in this area are living below the poverty line. People making less than \$70 a month are living in poverty. The people of Blackhead Road are here because they could not afford living in the city with the burden of taxes on their land, leases on their land, and so on. They moved here where they built their homes with flesh, blood and tears. They find themselves on the spot where they are asked to assume responsibilities for which they are completely unsuited. It is a great thing to put in water and sewage in the Blackhead Road area but it is another question how many people can afford it without going in debt; and, like Gus Breen said, they cannot afford to go

in debt. They cannot afford to pay for bringing in water and sewage and that is why they are here—because they do not have the wherewithal to raise large sums of money. I think the least the people could have expected is that they would have been given a reasonable replacement value for their homes. It is not enough to expropriate Gus Breen for \$500 and pay Gus Breen that amount, because I think the least people could expect, since his home is his castle just as yours or mine, and he cannot replace that home today for the amount it cost him initially. I think the people up here who had their homes expropriated under legislation that it should have assured them reasonable value for their homes.

I have a deep concern for the people of this area. My interest does not include membership in any exclusive golf clubs and I have known what it is like to live below the poverty line, like my friend Mr. Frank Galgay said here. I realize that a child who is hungry in Newfoundland suffers the same pain as a child who is hungry in Manitoba or in any other province. We have the lowest per capita income, we have the highest birth rate in Canada, sir. We have some very serious problems. Maybe the time is long gone with. You have heard five million words since this committee first held hearings. I think the time for talk is now finished. I leave it to you and your colleagues to take back to Ottawa. I think that five million words is quite a lot of talk.

The Chairman: We listened to five million words, I can tell you.

Mr. Carter: Well, I think from that five million words you get the message. I think the Government now should recognize this problem—stop administering aspirins and start administering some cures.

I want to make reference to a day when I came back from my riding. In one area we heard people talking about the moral fibre of our people wearing off, for what is happening when we find we have a situation where—I will probably be accused of being political but I would say the same if there were a Tory Government in Ottawa and when the Tory Government was in it probably existed—\$5 million is being spent to throw a party in Japan. In a part of my riding where people are dependent on the fisheries I cannot get money enough to build a wharf. In one breath we hear a minister say that we cannot afford to build a stage in Admiral's Beach to enable fishermen to process fish to stay alive, yet under the same breath we hear of \$5 million parties being thrown in Japan. Are we trying to kid ourselves or what? I can state examples in my riding. Austerity and inflation—these are

words that are being plucked and used in Ottawa.

Committees, as we all know, file reports and your report cannot possibly get any action. It will take a year before you can compile your report and get it into the hands of the Government. I ask you to stop talking and I would ask you to go back to Ottawa and try to eliminate some of the problems affecting Newfoundland's people and the people of St. John's West. Ask the Prime Minister and his colleagues to tear up their golf membership cards and note that it is not a pleasant sight to see children who are hungry and who cannot get a decent suit of clothes to wear. Let us stop talking and you and your fellows go back to Ottawa and tell them that the people of the Blackhead Road Area are not content to be treated like second-class citizens. We need it now, not in six months time. We need it now. The Prime Minister and his Cabinet will recognize this and the people will have their homes, and long may your name be remembered, sir.

The Chairman: Mr. Carter, I appreciate very much what you said, but you know that we are looking for solutions and we would very much appreciate it if you would let us have any leads you might have so that we could take them back to Ottawa—any solutions you have which we could take back. If you have any ideas on that, please let us have them.

Mr. Carter: I have some. Your committee was commissioned by the Government and by the Senate to seek solutions—to seek problems and find solutions to them.

The Chairman: Mr. Carter, you appreciate it is not easy.

Mr. Carter: I agree.

The Chairman: This committee started to investigate about a year ago and invited every organization of any standing, having indicated that they wanted to, to come and be heard. They came and were heard and we visited five provinces and heard briefs. The problems vary somewhat, but poverty is poverty wherever you see it. While Parliament is having a holiday, men called Carter and Croll and their colleagues are out trying to find out all about poverty, and we are going to spend the next two months at it.

Now, poverty in its totality has never been studied in the history of this country. This is the first group to make such a study and our people have worked very, very hard at it. Solutions do not just come in a magic way, because poverty has many faces.

We have an obligation, and the five million words I have mentioned were from people concerned. Who are they? They are the churches in Canada. You name any organization. The farm organizations, the welfare organizations—they all wanted something to say about poverty. They have a contribution to make. Can you refuse to hear people like that? Of course you cannot. So, until we hear them and sit down and make our recommendations, there is nothing we can do.

When we set out on this task there were many on the committee who knew poorness—and knew it for a long time. Since we had the responsibility for providing a solution, we had to look at the welfare system. We had people out looking for solutions. We stated them publicly, and people generally agreed. When we started out on this journey there was talk about a minimum income on an equal basis for people in all parts of the country. No one understood it, but we had a discussion among Canadian people to point out where there is an understanding in Canada as to what it is all about. And in every province there has been an improvement in the welfare system as a result of their having to appear before us. Our task is not complete until we have heard all people who want to be heard.

Mr. Carter: We appreciate the fact that you are here. We hope your committee will take back a report to Ottawa and that we will get action. I think a check with the Dominion Bureau of Statistics will point out that in Newfoundland maybe 90 per cent of our people earn less than \$4,000 or \$5,000 a year. What I am saying is, we need some help for the people in the Blackhead Road area. I know that from this committee will come some research which will bring about action for this community.

Miss Eleanor Batten, Community Development Worker, Government of Newfoundland and Labrador: I am a community development worker with the provincial government. I would like to give you some examples of the poverty on Blackhead Road. For instance, Mrs. Cecil Bishop, with 11 in family—in that house they have to live from the 23rd of July to the 23rd of August on \$195 a month for food for 11 people.

Then we have another man here, Mr. Leo Dillon, and he can tell you himself, he and his family (seven children, himself and his wife) have had \$38 a week with which to buy food. This went on for about 11 months.

Then I know another person here, I shall not mention the name because she has asked me not to. There are six children in the family; their house has a kitchen and two bedrooms. The father and mother and the six children

have to share two bedrooms. Their food order is even less than that of the Bishops.

Mr. Bishop is a stevedore and at the present time in St. John's, Furness Withy is the only firm employing stevedores. Mr. Dillon could not work because he had problems of eczema on his hands. He is a cook by trade.

In 10 weeks 75 per cent of the 2,000 people mentioned will be unemployed. In other words 75 per cent of the wage earners will be unemployed. Some social assistance payments go as low as \$75 a month. I know, I have seen it.

I know another man, aged 81 with arthritis. He lives alone. I said, "Mr. Keough, what happens if you get sick in the night, do you have anyone who can come?" He said, "No." I asked him how much money he received. He receives old age assistance. If he gets someone to go to the store and he gives them \$5, they will bring him back \$4 without anything. In other words, they pocket \$1 and that is all he hears of it.

I would like for the senators to ask some specific questions because I know a lot of people on Blackhead Road and I know a lot of the people present.

We have two terms in city welfare; long term assistance and short term assistance. With long term assistance, the recipient receives a cheque. The recipient of short term assistance receives a food order that varies with the size of his family.

I know one family, whose home leaks like a basket, when the rain comes. And in the winter you can skate on the floor, and it is not an exaggeration. We went down to the city welfare office to get some black jack to repair the roof. They would not give it to us because the woman living in the house was not the homeowner. She was in hospital several times. She went back in again because of the cold.

I know another case where three people were in a one bedroom house. Every time they plug in an electric appliance they get sparks, you turn the dampers up on the oil stove and it gets red hot and you don't know when it is going to blow up. The woman wanted to go to hospital and there was no one to look after her 11 children. I am sure there are people in this audience who can say just how much you can get from city welfare. How much will they pay you? They may pay \$50 but if you go back and keep bugging them like I sometimes do you may get a few more dollars. Then some prospective tenants from this area were shown an apartment just a mile from here where you can go in and see a pile of human waste on the floor. You cannot see that on Blackhead Road. The homes may be small but they are clean.

Mr. William Druken, Resident, Blackhead Road, St. John's: I got a loan under the Veterans Land Act and bought a seven room house and in

1967 I was told by the Urban Renewal that the land was being expropriated. I have 26,223 square feet. They have had this half acre for two years and would not pay me one cent. I put a stop to it. I said that if they don't pay up I will close off the road, so in 1969 they set off an overloaded dynamite blast, blew the roof off the house and blew the side out of the house. Lundrigan's Insurance offered me \$4,500. I went to the insurance company to collect \$4,500 to repair the house. The insurance company told me I could not have the money, my house and land was being expropriated by the Minister of Public Works and I could get expropriation money. In the meantime, I am still paying DVA in St. John's, New Brunswick, on my house. It was bought under the Veterans Land Act and I have to pay \$25 a month.

The Chairman: The Department of Veterans Affairs gave you your mortgage. They are not playing games with you at all. What you have to do with the provincial government in Newfoundland is another matter. You just protect your house by paying off your mortgage. Do not worry, the Department of Veterans Affairs will make sure you do not get a bum deal.

Mr. Williams: The Urban Renewal Scheme was supposed to be designed to help solve some of our problems. They took away our homes and lots and other things but all urban renewal means to me is the answer to a real estate man's dream.

Mr. Barry: Well the Department of Veterans Affairs have a lot of fringe benefits, yet how can I worry about a student from Jamaica getting an education and a lot of fringe benefits when the children on Blackhead Road cannot get an education. Put the money where it belongs with the citizens of Canada maybe that would do it. Maybe that is one answer.

Mr. Breen: I know you came here to listen to problems and try to seek solutions. Well I don't know them, and I know the average Joe doesn't either. We are hoping that you do. As long as you cut every man he bleeds red. Your task is a major one. There is one thing I want

to say because Mr. Carter had something to say and before that Mr. Ryan was speaking. There is something I would like to know: how we will be helped by the scheme itself. There was a gentleman up here had a home it was expropriated. He was offered \$4,000 for his property. He didn't think the deal was fair. He took it before an arbitration board and their finding was that his property was worth \$7,600. But the arbitration was eventually overruled by a judge and the man ended up getting only \$4,000 for \$8,000 worth of property. So our famous Urban Renewal Scheme came along to help but instead of helping they got a judge to overrule the arbitration. So we are bucking them all over the place.

The Chairman: Mr. Breen and members of the Blackhead Road Community, first I want to congratulate you for getting together and taking action in a concerted way. Now you have a strength that you did not have individually. I congratulate you for taking this approach you have. It gives us great pleasure for in this communal way our fellow citizen can discuss with us, common problems that need a solution. We have been having that sort of experience across the country.

Tonight has been very useful to us. If you did not think that we knew that welfare here is the lowest in Canada, I can say that we know this and have brought it to the attention of Mr. Neary. We know what is going on and we know the need for jobs, the need for income, the need for future security. On the other hand you must realize also that Canadian people have a price to pay. Many are prepared to pay, others are reluctant to pay. We have to keep this in mind. Miss Berry gave 1969 figures of the poverty line. In our own way we can give you the 1970 figures. We know what the poverty line is. Where it was once \$1,500 for a single person it is now \$1,980, and it increases for others. We are desperately trying to find a solution. It will not be easy. The Americans have not found a solution. We are trying and hope to be successful.

You said you were thankful to us for coming here. We thank you for the opportunity of having an evening with you.

The Committee adjourned.

APPENDIX "A"

BRIEF

TO

SPECIAL SENATE COMMITTEE ON
POVERTY

BY

DOROTHY WYATT

6 July 1970

St. John's, Newfoundland

POVERTY

1.1 Poverty can be defined as the absence of opportunity for the comprehensive development of the maximum potential of the individual. To restrict the definition to the economic would present a limited view. However, food and shelter are man's most basic needs and in our Canadian nation, we accept the premise that we buy our food and shelter for dollars and cents. The malnutrition which results from lack of money to provide food gives a prognosis of deficiency diseases with their lethal implications. Income certainly dictates our type of shelter and sets a forced adequacy on the individual and his family.

1.2 While this is the very real thing which is happening, health workers are busy preparing literature and dispensing evangelical directions on how to live. As a nurse, I have on many occasions discussed the merits of Canada's Food Guide with people who had a very reduced income. Maybe I even though I helped them with information as to how to modify their diet to make it as nutritious as possible but they went back to their homes and no one had the time to follow it up.

1.3 Often these people had not received the value of intensive direction in schools because educators are forced into a ritual of eighteenth century importance. We continue to produce generation after generation of school attenders who on empty stomachs have been subjected to the value of the Reformation or the history of World War One and they emerge from these institutions not merely knowing about the problems of automation but without the knowledge of how to live.

1.4 I, too, have been, may I say, guilty of telling people about the importance of washing their hands before meals and after using the toilet. This does seem a little ironic in an urban area where night carts and water trucks provide the only water and sewage facilities for

the residents. These same children who learned about the open sewers from their history books can see them any day outside their own homes in areas within the city of St. John's.

1.5 Let us not forget the people who are forced, due to restricted income, to live in overcrowded, inadequately heated, leaky homes rented from the affluent society or absentee landlords who remain anonymous and lay the blame on rental agencies.

1.6 Thus, I suggest, that poverty should have an economic priority in its interpretation. I contend that cultural poverty, social and psychological poverty are in direct proportion to the economic status of the individual or family. To clarify, how can an individual pursue cultural activities in the concrete sense without the admission fee? Socio-psychological poverty as a consequence of economic poverty results in the implications of the poverty label we affix to those who finally arrive at the top of a waiting list of thousands on the subsidized housing rosters and are the beneficiaries of togetherness. Of course we get very humanitarian and suggest row-housing in lieu of high risers.

1.7 As far as political perspective is concerned, these conditions are often the ticket of elected or appointed people who should have at least a priority of unity of purpose in improving the conditions of those less economically fortunate and this priority should supersede the philosophy of a particular party which often grossly deviates from the concept of man as man. How can a national program undertake to eradicate or reduce poverty when the British North American Act restricts a national approach. The very matters which are the priority of the provinces are the areas where a concerted effort must be made. What about the poor provinces? In Newfoundland, we cannot pay the cost of our poor. DREE is commendable but will not solve the regional disparity.

1.8 Let us not fool ourselves. Individuals cannot, and indeed should not, be solely responsible for the total approach to improvement. As an elected politician, certainly I face the restrictions of real and imagined priorities. I believe all politicians and officials are concerned about the problems of the poor and they are sensitive to the realism of the situation but they are restricted by the very nature of the buck-passing system of our various levels of government. While we determine which level should assume the responsibility of the cost of the poor, people get discouraged

with their present politicians and look to the next promiser who will find himself in the very same situation but during this time, people will be hungry and they will continue to live in increasingly substandard housing.

1.9 I suppose the most pertinent question here is: Can I hope that as one more avenue, this avenue of a special Senate Committee on Poverty—can some conclusions be implemented? Gentlemen, I congratulate the instigators of this idea but I doubt if any one of you will discover any great poverty mysteries and frankly the recommendations and conclusions from these meetings will have difficulty surviving the priorities of even the next few years.

(b) 1.1 No one has the answer as to the extent of poverty in Canada. We have statistics on the number of people receiving incomes below the classical designated figure, the number of people receiving social assistance and Workmen's Compensation, but where are the statistics for the proud poor—that is the people who have always been able to manage strictly through good use of resources but do not have any additional resources to meet the increased cost of living but are too proud to seek assistance.

1.2 What about the people who receive inadequate pensions whether this be through employment or veterans' allowances, blind allowances or pay-us-not-to-grow-wheat allowances, etc.? How do they manage? How many of them are there? What about the people who do not need these allowances?

1.3 From a demography point of view, one can predict that poverty will increase in the urban areas because of the mobility trend from rural to urban. It can also be expected to increase in the non-skilled labor force as automation accelerates unless opportunities for retraining are enhanced. If natural resources are not developed, there will be an industrial poverty and even a poverty of the affluent who, after all, provide for those who have not. Women will be destined for the poverty roles at a more accelerated pace than men. Provinces such as Newfoundland still authorize women to subsidize the economy by not having Equal Pay for Equal Work and Human Rights legislation. This contributes to the cause of poverty in this province.

1.4 The current psychology of advertising is also a cause of poverty. Indiscriminate distribution of credit cards appeals to those in need and affects the poor more than the rich. Such a theme as You Can't Afford to be without this deluxe washer meets agreement with the needs. Perhaps they make one payment and then the store confiscates the items.

B. 1.1 So these are some of the causes. What are the solutions? There are no magic answers

but there can be dimensions to our perspective.

1.2 It is my considered opinion that the determination of how to solve the poverty problem will not come from briefs. Oh yes, we are aware of the surface problem but let's ask the poor people how to solve it from their point of view. Then we can evaluate the resources for correction. I also believe that we should be visiting the poor this morning and talking with them instead of about them. The approach we are using is somewhat analogous to the traditional missionary appeal or the foreign aid approach of some countries. I appeal to you to spend a day with the Public Health Nurses, Social Workers and Clergy of Canada and spend a day with the educators of our youth. They, gentlemen, could make you aware of the realism of poverty.

1.3 Since you are visiting Newfoundland, you should know that conditions have improved here since we became part of the family, Canadian nation. Baby bonus, old age pensions and medicare have improved our situation. We continue to emulate our Canadian counterparts and we educate for the job but not the man. I make a plea for education to be left for the educators not the politicians. Somewhere in our curriculum let us provide information to show our young how to care for family. Boys and girls marry younger but how many know how to care for a baby? This information may not be available in the homes and this approach could be a positive step.

1.4 Let us give up the idea that a university attains its status from the number of published papers and the impressive lists of research projects pursued in the institution. Let us get those highly educated professors back with the first-year students who need all the help they can get. Maybe then we can reduce the dropout statistics and students can receive the comprehensive approach which universities advocate.

1.5 Health education should be given a high priority with the media. In the struggle to meet Canadian content, let us use this avenue to demonstrate how families can use their resources wisely and baby care could replace some of the conflicts of marriage displayed on the afternoon programs.

1.6 What is the answer to hunger as we continue to dump fish in our harbours and wheat sits in the barn or even that people are paid not to grow? Why can't this be sold at cost with positive subsidies instead of the negative approach we seem to have?

1.7 Gentlemen, we know that a cheque will not solve all problems. Some people need to be sent a daily food order with a menu. They should not be condemned but they need guidance with planning. This could be helped by

the media and also health workers who spend years preparing for their professions and have to do elaborate paper work which could be more adequately done by capable clerks and secretaries. Talking and guidance takes time but it is this man-to-man communication which is the very essence of need in the poorer groups.

1.8 Perhaps the reason why many people resort to social assistance is that wages offered leave little motivation for seeking employment. Where the minimum wage gives equivalent remuneration with social assistance, would you do otherwise?

1.9 To halt the destiny of women arriving on the welfare or poverty roles earlier, Equal Pay for Equal Work legislation would help. Human Rights legislation should be proclaimed in this province.

1.10 Pollution can make us poverty stricken if we are to alleviate the problem. Let's face it—industry does not have a humanitarian purpose in establishing. They elect to establish in an area to make money. Gentlemen, it is time industry paid for pollution out of the profits. A hundred jobs now with the inherent cost of pollution should be viewed with long-term economic results. This would prevent the poverty of the cost of pollution which our children will have to absorb in health and economic costs. The St. John's Harbour is polluted and the cost of correction is beyond the ability of its citizens to pay. Down here in this part of the country we don't understand why the Bonaventure cost so much to refit when she was slated for retirement. The war situation did not change that much in a few years. We think we could have used the money to help some of our sewage problems.

1.11 What about housing? In a nation where it is noble to give but shameful to receive, we tend to move the poor to a designated locality complete with label. We may call it subsidized housing or we may even have land assemblies where the latter can reside if they can get adequate loans and mortgages. Where are the forty-year mortgages contemplated ten years ago in economic circles? The down payment on a home is the major barrier for many families in acquiring one. Let us enhance a man's dignity by permitting him a choice of location—all he needs is the financing. Let us not make an exclusive street of shell housing. The final result of a man's personal labor and initiative would be equivalent to that expended by his neighbour who can afford a contractor. We have examples of shell housing in St. John's where men produced their homes by sheer ability. This continues to be evident in the rural areas as well and it should be encouraged.

1.12 Let us have an association for housing problems. I mean one with real authority to it—that is a combined authority working together. City, Province, Federal and people with problems should serve together. Standards should be easy to define. Frankly, I am suspicious of any home which rents for \$50.00 or less per month. Could it be that \$50.00 is the amount acceptable to welfare authorities who are attempting to house an increasing population with inadequate funds? If houses are leaky or firetraps, do we need a Royal Commission to correct this? Let us expose the owners who often use this avenue as a means of making money. Let them shed their anonymity they now enjoy under their use of a rental agency. How many people leave the city and ask a rental agency to collect rents without leaving any money for necessary repairs to homes? People across Canada have taken action through tenant associations. All levels of government should be giving this leadership. We wouldn't need tenant associations if all politicians were doing the job for which they were elected.

1.13 It has been projected that there will be increased mobility from rural to urban. Therefore, I would suggest that cities be given additional federal funds to help with providing services. A generation ago, Canadians thought rail, boat and plane transport were necessary but now we need to consider rural to urban and within urban transportation. Federal help is also needed with the provision of extensive water and sewage services. If Canadians are moving to the cities then it stands to reason that more federal money should be allocated to the cities.

1.14 Old age, Workmen's Compensation and veterans' allowances need to be increased in accordance with the cost of living. This province rates high in that we have the lowest salaries and the highest cost of living in Canada. We need help with school construction and let's be realistic and not look to the churches. The church funds have diminished greatly perhaps primarily due to the major economic expense they have sustained through the years. We need bursaries for high school and university students. Many now must seek employment early. Let us dispense with the motto of Stay in School as philosophy when people who fail in an out-dated examination must beg for readmission due to lack of space. Down here we don't care if the federal government calls it DREE as long as it's reasonably FREE. The simple fact is that we cannot afford to meet the cost of educating an increasing population. We have restricted facilities for the disadvantaged children and adults. How can we talk about comprehensive development of a man's potential if we cannot

even provide the space for even custodial education?

1.15 Provinces such as Newfoundland need not have a stigma from accepting national help. Many Newfoundlanders work in Ontario and contribute to the wealth of the Province. In fact, this mobility which is increasing is one thing which makes us a nation.

1.16 Perhaps the best answers would come from the poor and the affluent sitting down together in man-to-man communication. Until the people who want and the people who pay understand each other, then man exists under his label of affluent or poor but not in terms of man as man. Politicians and officials should work together doing their thing. Right now, one level of government does not know about tentative plans being formulated by other

levels of government. Where is the political communication in a communication era?

1.17 Man and his resources should be the theme of the war on poverty. Surely if man can go to the moon and Saskatchewan can build a mountain, we can plan to reduce poverty in the definition which I have used in this brief, i.e., the absence of opportunity for the comprehensive development of the maximum potential of the individual. I have brought my exhibits with me here this morning. These people have some of these problems and look to you for some solution to their situation.

Respectfully submitted,

Dorothy Wyatt, B.A. B.Ed. B.N. R.N.

APPENDIX "B"

A Submission to the
Special Senate Committee on Poverty

by the

St. John's Club
Canadian Federation of University Women

The St. John's Club of the Canadian Federation of University Women appeals to the Special Senate Committee on Poverty to consider in their report ways and means of financing projects undertaken by groups of concerned citizens or organizations to help in the war against poverty, particularly projects which involve the co-ordination of several different types of services, and so do not clearly fall within the domain of any single government department, and with special consideration of the needs of the have-not provinces so dependent upon Federal assistance.

One aspect of the antipoverty campaign in the U.S. was the implementation of a new concept in government service, Project Head Start, a comprehensive programme of education, medical care, social services and nutritional aid to give pre-school children from disadvantaged backgrounds, and their families, help which they need. The St. John's Club feels that a comprehensive programme of a Head Start type may have merit in Canada also. Such a programme should be designed to enable the children of the poor, through medical care, family counselling and community awareness, and a carefully planned nursery or child development programme, to participate more fully in, and receive greater benefit from, the formal educational process. Federal funding for such programmes would make it possible to provide this preventative service on a nationwide basis.

The St. John's Club has recently embarked upon a Head Start type project, which is described in the accompanying brief, presented to the Senate Committee, but prepared as part of an application for a demonstration project grant from the Department of National Health and Welfare. We are encountering difficulties in obtaining financial support for this project precisely because it is a comprehensive programme involving the co-ordination of social work, medical and educational services. There seems to be some question as to whether such projects which involve education as one of several components can receive financial support from federal sources.

From our experience in this project, and from our study of current, relevant literature, the trend of thought nowadays, not only in

Head Start specifically, but also in respect to day care generally and other welfare fields, is that close co-operation of education and welfare services is imperative if a truly effective, preventative service is to be offered to people of the lower income groups.

We feel that concerned citizens, working through private organizations or agencies, recognizing a need for community involvement, could contribute much to a national effort to enable the poor to develop their own resources, and that by so doing they would also foster in the community a change in attitude towards these people through a meaningful understanding and appreciation of their strengths and needs. Many such organizations simply do not have the financial resources to implement these projects, and in provinces such as Newfoundland must look for financial aid other than through the provincial treasury.

Since education is strictly confined to provincial jurisdiction, any attempt to provide comprehensive services combining certain aspects of education with welfare, are bound to meet with difficulties in securing Federal financial aid. We would therefore appeal to the Senate Committee to explore ways in which channels for funding such comprehensive projects may be opened to make federal funds available for worthwhile projects of this nature.

We therefore recommend the following:

1. that channels for obtaining federal funds to finance comprehensive projects particularly those involving co-ordination of services in certain aspects of education with welfare, be sought;
2. as in the U.S., so in Canada consideration be given to federal financing of Head Start type projects, involving other services as well as Child Development, on a nationwide basis;
3. that a directory of funding agencies be compiled and made readily available, clearly stating the areas of service or research which may be financed through each government department or private institute (e.g. Vanier Institute of the Family) so that organizations wishing to sponsor or operate a project do not have to expend energies in a search for funds which would be better used directly in the project.

We would also like to take this opportunity to make the following comment:

Basic to all work with the poor is the attitude which motivates our efforts. A true attitude of respect involves the anticipation of give and

take. With 'disadvantaged people' this tends to break down with the expectation of the giving being all on one side and the taking all on the other. Such assumptions lead us to respond to individuals who, while poor, share the middle class orientation and whom we therefore see as being able to help their people learn what

we know they need to learn or acquire what we know they need to acquire. Such people may in fact not share at all in the aspirations of the community they are expected to 'lead'. The current rebellion of black peoples against the negro leadership accepted by white society is a clear expression of this type of problem.

APPENDIX "C"

Brief
submitted by the
Extension Service
Memorial University of Newfoundland
to
The Special Senate Committee on Poverty

For further information:
Donal Snowden,
Director of Extension Service,
Memorial University of Newfoundland

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Five Per Cent Helped Turn the Trick

FOREWORD

In addition to a more traditional role in adult education, the Extension Service of Memorial University of Newfoundland has a direct involvement in community development and social change in the Province and is charged by the University with a responsibility for that. In this respect it is unlike most other University Extension Services in Canada. It has had, since 1959, a number of field representatives living in rural areas throughout the Province, attempting to assess, with the people, ways in which the social and economic condition of Newfoundlanders could be improved, while preserving Newfoundland's cultural heritage. Citizen's self-help organizations have been actively promoted and encouraged by the Extension Service, and these community and regional development associations now provide a basic structure through which local people can work together with governments, private organization and other institutions. The Extension Service helps by making available short courses and workshops throughout the Province dealing with community leadership, organizational techniques, the functions of government, and means of access to its services, and training in planning. These workshops attract hundreds of disadvantaged Newfoundlanders who wish to have a more obvious stake in effecting change.

The Extension Service has a staff of specialists in St. John's and resident adult educators in rural Newfoundland including the Labrador Coast, the St. Barbe Coast, the Port au Port Peninsula, Notre Dame Bay and Fogo Island, the Burin Peninsula, Central Newfoundland and the Avalon Peninsula. Extension representatives work in close and constant contact with residents of these areas, helping them to prepare themselves to take a more active role in self-help programs, in rural development associations and in comprehending ways and in acquiring skills to assist governments and other institutions in planning and development.

The Extension Service also produces, during winter months, a weekly regional network television series called "Decks Awash." The series appears on prime viewing time, and contains information for fishermen designed to help them to function more efficiently in their trade and as citizens.

Regional conferences are frequently sponsored by the Extension Service throughout Newfoundland and Labrador to consider development possibilities and strategies. At these conferences, local people are given the opportunity to hear and to question people who are expert in resource development, transportation and communications, planning, education, and government programs. All told, this part of the Extension's program involves thousands of residents of the Province to whom no other source is available for such service.

For many in remote parts of the Province, these activities represent the only point of contact of consequence they have with the world outside their community. The Extension Service operates on the principle of total accessibility to all residents of the Province, and is rightly regarded by them as neutral ground on which people of diverse and conflicting points of view can meet.

The Extension Service is involved with the very poor; frequently, also, with people in leadership positions in communities which need direct government assistance. They are citizens who need to be heard, who have something to say and who want to be allowed to participate in planning policies and programs which will affect them. They are frustrated by what appears to them to be highly manipulative strategies imposed on them; they become increasingly resistant to an alien world which ignores their experiences and knowledge in the planning, designing and implementation of programs which drastically affect their lives. They are the pathetic product of a society in which communication has almost failed them.

Of some significance in relation to the work of this Senate Committee, Extension Service staff have experience in working with the poor in Arctic Canada, Alaska and the southern and western United States. Some Extension workers are deeply involved, on a daily basis, in the life of rural Newfoundland, which suffers from some of the extremes of some sorts of poverty.

INTRODUCTION

The Material in this Brief is made on the basis of first-hand observations by members of the staff of the Extension Service of Memorial University of Newfoundland. It reflects experience in dealing with the rural deprived, not only in Newfoundland but in other parts of North America. It is acknowledged that the Brief fails to touch on some of the more easily identifiable and measurable dimensions of poverty; nor does it attempt to describe the conditions which have caused Newfoundland people throughout the period of European settlement to live under constant hardship and frequent deprivation. Statistical data exists which illustrates vividly the difficulties which today face Newfoundland and its people in many ways. Such data has been included in other Briefs presented to the Committee, and it will not be repeated here.

It is this data which serves as the basis for continuing attempts by governments to develop remedial programs. We know that in many ways governments are attempting to combat diverse manifestations of social and economic malaise. We are aware, also, of the difficulties in determining needs, balancing priorities, conceiving, introducing, and administering development programs and of evaluating the results. We believe most emphatically that a root and basic cause of poverty is an economic one. We are not convinced it is the only one, or that enough attention is being paid to the myriad and complex evidences of poverty which are not directly economic ones, but which are equally vicious and debilitating causes. We are concerned that cost-benefit analysis has become the only standard of measurement for far too many bureaucrats concerned with elimination of poverty, or regional disparity, or rural redevelopment. As long as they fail to be aware that poverty involves human beings who have dignity, values, aspirations and rights and that the elimination of poverty is dependent on full acknowledgement of those qualities, Canada will not be successful in whatever attempt she makes to eliminate deprivation. For the poor will always wonder—Who are the Deprived?

Who Decides Who's Poor?

It is the dimensions of the traditions, cultures, and values so evident in the total fabric of the nation which may stand in the way of early solution to poverty in Canada, for poverty is different things to different people who do not, in this country, know one another well. The measurement of poverty to the Economic Council of Canada may well be applicable in the urban centres of Canada, in the centres of power and population. Yet these same standards which are applied nationally often have little validity in a Newfoundland outpost even in straight economic terms. Many rural Newfoundlanders falling on the economic borderline of poverty as defined by the Economic Council of Canada would be offended by being described as poor, and do not believe that they are. Most own their own homes, pay no local taxes, supply some of their foodstuffs and often much of their fuel, and have the benefits of excellent subsidized programs of higher education for their children. They, like the people of rural Quebec, have lengthy traditions and solidly rooted values which provide a richness to life not usually associated with poverty.

Yet in some vital respects they are poor, for their local experience and knowledge have not been sought as a matter of practice in the development of remedial government programs for rural Newfoundland. They have not been encouraged to understand power through organization, they have suffered from the debilitating effects of a primary and secondary education program with substantial defects built into it, and they are frequently without adequate information on which to make basic decisions about the direction their lives can take. There has been, and is, a strong feeling in much of rural Newfoundland that there has been far too little knowledge in Ottawa of the realities of the problems of rural areas of the Province, or of the factors which influence the ways rural people think and act here.

A Nation of Neglect

All these are manifestations of poverty—but a reflection of the Poverty of whom? Certainly it is a direct reflection on the ability or the desire of the nation to overcome poverty when in one Newfoundland community within a recent winter three people died when no medical help could be obtained because the community had no form of telecommunications with the outside world. It is the poverty of the nation when communities in Newfoundland have no teachers for years or when citizens who cannot receive state-financed radio are aware that the public broadcasting corporation finances colour television. It is a poverty

of the nation when one large piece of the territory of this Province is never shaded in on federal maps indicating rural areas for development under Federal programs, perhaps in the hope those areas and their inhabitants will continue to bury themselves under the silence of their poverty until they disappear. It is poverty for the whole nation if children in this Province go to schools which have no programs of art, music, or organized sports. It is poverty for Canada if the fishermen of this Province and this region are so unorganized that they do not have a single telephone in Ottawa through which to participate with the Federal Department of Fisheries in developing rational programs of fisheries expansion. It is poverty for Canada if the majority of Canadians do not understand that most of the poor here want employment and strongly resist the loss of sense of purpose that comes with acceptance of welfare.

Canada is a poor nation if it provides funding only for technical or vocational education for its poorer adult citizens and fails to support social education to equip its citizens to be more effective with a sense of involvement in the society in which they live.

We believe that Canada has it well within her power to eliminate poverty in all its dimensions and that it could be concerned with doing so. We also think that lack of awareness by Canadians of the reality of poverty, or national indecisiveness in dealing with it, will leave a heritage of anger, frustration and hostility which is much in evidence elsewhere. The remedies later will be far more costly, far less certain of effecting cure.

COMMUNICATIONS

We have stated that the rural poor are the pathetic product of a society in which communication has almost failed them. It is on this premise that we recommend that the Committee consider improved communication a vital and critical need of the poor.

We fully support the recent recommendation of the Task Force on Government Information that the Government of Canada develop 'a greater sensitivity to the information needs of the unreached... that high priority be given to the problems of communicating with these individuals and groups of citizens currently outside of, or unaffected by, the main-stream of Federal Government information.'

However, in our opinion, this recommendation falls short of what should be the vision not

only of the Federal Government, but of the nation, as it recommends no more than that which is the basic right of all Canadians, rich or poor, to be fully informed of national policies and directions and to be aware of the spectrum of Canadian life in all its richness.

But there is a higher priority, a more urgent need if Canada is to remain a restful nation, the need for a Government to recognize that it must also provide through communication and information the opportunity for the 'unreached' to communicate their hopes and aspirations so that their real needs become the concern of those in the centres of power.

Who Receives Information?

The poor receive less information of real importance to them than any other group of citizens. Their opinions are sought less than any other segment of society. People are poor, we submit, if they are not well informed about matters of vital and personal concern to them; they are poor if a blind and uncaring bureaucracy planning for the manipulation of their lives, ignores them, and is able to get away with it.

In most of Canada the devices for exchanging or obtaining information are easily accessible to all citizens—telephone, broadcast television, government offices, frequent and regular mail deliveries, public libraries, broadcast radio, daily newspapers, magazine racks and book stores. This accessibility to information allows citizens to make real choices about the directions they will take in their lives and provides opportunities for them to expand and diversify their interests and goals. But these sophisticated services and facilities, taken so much for granted by most Canadians, are a myth to many on the coast of Labrador, where people have been ignored in terms of information in as callous and miserable fashion as even the most isolated resident of the Canadian Arctic.

There has not yet ever been a serious attempt in Canada to provide, through our public broadcasting service, the kind of educational and informational programs the poor need. We have naively or maliciously proceeded on the assumption that what is *au fait* in Toronto is what is best for and needed by other English-speaking Canadians. There is virtually nothing from middle-class Toronto and almost nothing from Ottawa that gets through or means much to the truly desperate citizens of the Labrador Coast—and there is virtually nothing of the Labrador Coast that ever gets through to disrupt the comfort of the Ottawa planning office.

Getting information, educational opportunities and communications to the rural poor is often very costly—so is receiving information

*"To Know and Be Known", the Report of the Task Force on Government Information, Vol. 1, p. 69, 'The Unreached.'

from them, especially when that information tells of inhuman neglect, and callous lack of concern. In their collective wisdom, governments and their agencies have believed it better to turn the communication dollars where they will be noted by most. We wonder if it has not sometimes struck the rural poor as funny that they do not receive adequate broadcasting and television service because broadcasting money has to go for coverage of the Olympic games in Mexico or to provide better competition for American stations beaming into our heaviest populated areas.

It is a cause for shame in Canada that scores of thousands of our poor are without any public television service. Why should the poor of the Labrador Coast feel grateful that only recently were they able to hear publicly-owned Canadian radio? Should an employee of General Motors feel grateful for the bonus of a mule at Christmas when his fellow workers all receive a Cadillac?

An Opportunity for Improved Communications

We are aware of plans for satellite television which would enable remote Canadians to receive general broadcast television, but we do not believe that in itself it will meet the special immediate and regional information needs of citizens in more isolated areas.

An experiment has begun recently in Newfoundland which may well point the direction to substantially improved communications with and for the unheard in this Province, with wide potential application in other parts of mid-Canada and the Northwest Territories.

Recently the Extension Service was requested by CBC Newfoundland Region to assist in the preparation of a television series about the Labrador Coast. It would not, of course, be broadcast to the Labrador Coast, for nobody provides television service to there. As payment, the Extension Service requested and received permission to 'dub' 1/2" video-tapes of certain other CBC television programs which it believed would be of interest to residents of Coastal Labrador, none of whom receive television. The tapes are compatible with equipment used in communications development by the University's Coastal Labrador Representative. As a result, people on the coast of Labrador are now seeing television there for the first time. Further video-tape equipment is to be placed in at least two other coastal Labrador communities this summer by Extension, under a grant from the Department of Communications, permitting a bicycling of programs between communities. Of even more importance, perhaps, the equipment will be used to present programs of social, technical and vocational education specially designed

for the Coastal Labrador audience. Finally, a small inexpensive TV camera will be placed in these communities to enable them to record on video-tape matters of interest to other communities along the Coast and such video-tapes will be exchanged.

It is our strong belief that because of the simple technology of VTR equipment and its relatively low cost, a new and dynamic tool can be designed to provide an important device for effective communication for the rural poor.

Recommendation

The Federal Government, through the Department of Communications, should provide funds to needy communities in mid-Canada and Northern Canada which do not receive broadcast television. The funds would be used to provide a 1/2" video-tape camera deck, monitors and tapes to each such community for three purposes: to receive VTR's of select CBC television programs to be played in community halls; to provide a means for the types of adult education so desperately needed in the more isolated communities of Canada; and to provide an important means of inter-community communications.

ORGANIZATION—A REMOVAL FROM POVERTY

One of the most apparent, all-pervading senses of injustice in rural Canadian life is a feeling of the impossibility of rural people making any meaningful decision about their future in rural Canada. The Canadian Council for Rural Development has repeatedly pointed this out in relation to Canadian farmers. It has been equally true for many of the people of rural Newfoundland.

It is governments which are providing the greatest impetus to rural change—they are providing new subsidies or withdrawing old ones from primary producers; they are implementing plans for resettlement and centralization; they are making decisions about who should do what and where and how. It is natural that rural people, under these circumstances, should direct their concern, and some of their animosities toward governments, which have done so little to inform people before the fact of new development programs, or even more important, to involve them in the whole developmental planning process. At the same time rural people (and in Newfoundland most such people fall within the Economic Council of Canada's definition of poverty, here have probably not been aware that governments find it difficult to solicit advice and opinions from unorganized masses of citizens.

A lack of real citizen involvement has long been one of the negative aspects of life for the rural people in Newfoundland. This characteristic has been manifest in the dearth of local governments; it has been, until very recent years, evident in the lack of regional organizations concerned with social and economic improvement.

Within recent years there has been a significant growth in regional development associations in Newfoundland, comprised of local fishermen, farmers, teachers, businessmen, co-operative producers and others. They have provided not only a voice for the needs of their regions, but a device through which governments can work to ameliorate regional problems. There are now 19 such organizations in the Province and they have recently combined in the Newfoundland Labrador Rural Development Council. Their leaders are men of intense dedication, occupying their positions of responsibility often at devastating personal sacrifice. Membership fees are a pittance, enabling the poorest families to join and participate. While this has ensured the possibility of very broadly-based membership, it has meant that voluntary councils, representative of the people of rural Newfoundland, and representing their needs, have inadequate operational funds.

They have avoided, almost without exception, the pitfalls of commitment to a specific political doctrine. They have been refused information and have sometimes been summarily dismissed in attempts at serious negotiation. But they are determined that they will be allowed their right to participate in regional development in a meaningful and important way.

In order to do so, the Newfoundland and Labrador Rural Development Council needs financial assistance with which to hire a competent executive director and an adequate research staff. It should be expected to provide travel funds for its own members and salaries for clerical staff.

Recommendation

The Department of Regional and Economic Expansion should substantially increase its grant to the Canadian Council for Rural Development for the express purpose of allowing CCRD to provide grants to deserving provincial councils for rural development. Such grants would be adequate to cover salaries and operating expenses for an executive director and research assistant for each provincial council, which in turn would be responsible for payment of clerical staff.

RESIDENTIAL CENTRE

There has been much emphasis on government educational planning to provide greater mobility to citizens through substantially increased opportunities for vocational and technical upgrading. In Newfoundland thousands of citizens have attended vocational schools and the College of Fisheries. There is a justifiable necessity and such training is unquestionably leading to greater employability for many who go through it. But it in no way eliminates the need to educate the citizen as well as the citizen-worker. The poor suffer from more than lack of employment opportunities, and employment opportunities alone will not eliminate poverty. What is needed is the opportunity for the poor to be exposed to the massive alternatives available to the non-poor in Canada. Opportunities for education in humanity, in residential centres for continuing learning, must be made available to the poor, and not just to the organized, non-poor.

In Canada organized groups make use of such facilities in such places as the Banff School of Fine Arts and the Institut Desjardins. These groups pay economic rates established for the use of Centre facilities, and they are financially capable of doing so. The poor cannot afford to do so. Not only are the poor unable to pay for the use of such facilities but they are less likely to be able to articulate the needs such a Centre could meet for them, and would be perhaps totally unwilling to invest any of their meagre incomes in formalized learning of any kind.

Obviously government financial support is required to provide the rural poor with an opportunity to acquire the kind of skills they are now indicating they want—the understanding of individual opportunities; skill development to perform in responsible positions on local organizations; the strategies of planning; techniques for being heard; budgeting, home-making, exposure to the arts, basic business skills, co-operative training, and many other things that are learned best in short, residential workshops.*

Recommendation

The Federal Government should make available funds for construction of residential centres for continuing education and for appropriate operating budgets to enable the unorganized and the unreached to participate in education for social development.

*Additional and specific information and recommendations exist in a Report on a Proposed Residential Centre for Adult Education in Newfoundland, ARDA Project No. 20024 prepared by the Extension Service, Memorial University of Newfoundland, October, 1968.

APPENDIX "A"

Five Per Cent Helped Turn the Trick

The Senate Committee on Poverty is to visit Fogo Island as part of its tour of Newfoundland. For that reason it may be useful for them to have some observations made by people who are in a sense outsiders but who have had a very direct involvement for some years with the people of Fogo Island. The Extension Service of Memorial University has been deeply committed to working with the people of Fogo Island in helping to effect the changes which they have demanded as a right. In adopting this position, we have gained the enmity of some bureaucrats and some politicians, especially in Ottawa, who have been convinced that places like Fogo Island have no place in the new Canada. We do not believe that Fogo Island needs to be unique—but as long as the rural deprived have no faith in their ability to get things done no matter what hazards and hostilities appear to stand in the way, it may remain an unusual example.

In 1967, which in many ways marks a turning point for Fogo Island, there was a genuine and evident feeling of despair among most of the residents there. An outline of the history of previous attempts at inter-community co-operation on Fogo Island appears in "The Co-operative Movement in Newfoundland"—an ARDA study of co-operative organization from the viewpoint of Industrial and Social Development—numerous references—by Donald Snowden.

In poor rural communities rumour and gossip are an every-day part of community living. The rumours were strong on Fogo Island that the Federal Government despaired of Fogo Island offering any economic future to its residents. The rumours widely believed on Fogo Island were that the Federal Government, through its financing of a resettlement programme in Newfoundland, intended to force the people to leave the Island. Such a statement was never made publicly by any political representative either from Ottawa or from the Newfoundland House of Assembly. It was widely believed on Fogo Island, however, that some Ottawa civil servant responsible for the resettlement programme regarded Fogo Island as a major source of out-migration. The situation seemed to the people of Fogo Island to be truly desperate.

Although the Island had been long settled, the 4,500 people there lived in 10 communities which in many respects were very isolated from one another. They were isolated most of all perhaps by a lack of co-operation and by inter-village rivalry. It is estimated that in 1967, 60 per cent of the Island was on welfare. The fishermen of the Island had no organization, owned or operated no plant facilities of

any sort and showed little evidence of faith in themselves. On an island which did not offer its inhabitants a decent standard of living, the population was exposed to a school system which made good education virtually impossible. If there was to be a future either for the producers of Fogo Island or for the children there had to be basic and hurtful changes.

The story of development on Fogo Island must, we believe, rank as one of the most outstanding achievements by deprived rural people anywhere in contemporary Canada. By 1970, 760 people, mostly fishermen, fish plant workers and just interested citizens on Fogo Island, had joined an island-wide fishery co-operative that had good credit at the banks in the province, and had gained the respect of policy-makers and administrators in the Government of Newfoundland. (It would perhaps be too much to be expected that those in Ottawa who had opposed development on Fogo Island could be happy about what has resulted since).

The details of the impressive growth on Fogo Island will undoubtedly be made public during the visit of the Senate Committee there. Because they were so close to the situation and have been so involved in bringing it about themselves, it is unlikely that Fogo Island people will articulate to the Committee the real reasons for change. We believe they are complex and interwoven, but that they are not mysterious. It is also evident that because they have lived so close to the changes they may not appear so dramatic to the people of Fogo Island as they do to external observers. Nor would we wish to leave the impression that the problems of Fogo Island are resolved. They are not, nor will they be until they receive the kind of sympathetic help they have so completely earned.

Perhaps the first thing that occurred to bring about recent change was that some tough-minded residents of Fogo Island believed they could make a living there and that they were not going to be pushed easily into settling off the Island. They called conferences on the Island, brought in outside resource people, got information on what fishermen had done in other parts of Canada where they had been organized. They believed they were receiving assistance from nobody and that nobody cared about them. They realized that if they were ever to have any sort of future on Fogo Island as primary producers they would have to make a personal investment in that future. In one major way the residents of Fogo Island have done that since the day they formed the co-operative. Five per cent of the value of their catch has come "off the top" and that money has been used as a reserve fund by the co-operative to help keep

fishermen's gear in the water longer and to make them more efficient. If this summer is successful in the fishery, there will be enough in the co-operative's reserve fund to qualify them under the Industrial Incentives Act for the same type of assistance and under the same conditions as are available to any established private corporation in Canada. They are now investigating the possibility of putting their money into a modern multi-purpose fish plant. If they do, it will be the first such plant owned by the fishermen in Newfoundland.

A contributing factor to the success on Fogo Island during the past three years has been an overwhelming lack of selfishness on the part of capable citizens of that Island. In the case of one such man, he has, we believe, directly as a result of his total commitment on a purely voluntary basis, lost his source of income. There has been recent help from Government and especially from the Provincial Department of Fisheries, which has leased government-owned fish plants to the Fogo Island Co-operative, and from the Provincial Department of Community and Social Development which played a vital role in assisting with the establishment of a co-operative shipbuilding yard on Fogo Island and in providing some funds for a community worker.

Unquestionably, other root causes of the changes which have occurred have been outstanding and dedicated management in the fisheries co-operative itself, a truly dedicated board of directors, a determination by some of the clergy and school teachers of Fogo Island that a totally integrated high school to serve the whole of Fogo Island was required, no matter what the religious dictates of the past, and a commitment by many Islanders to that change.

They show a manifest concern for self-improvement through education in social development and they are learning, through workshops, how to deal effectively with external agencies.

During the Committee's visit to Fogo Island it will undoubtedly see evidence of some of the economic and social progress that is occurring so dynamically on the Island. It may hear something of the difficulties Fogo Island people had in learning that they had real power. It may learn of some of the pressures from a bureaucratic wall of silence which can come in response to legitimate requests from the people. It may hear pessimism and anger, because what successes there are are too new to cause the kind of security that will eventually come to Fogo Island.

We hope the Committee will wonder enough to accept our following recommendation, in the conviction that the recommendation could bring a message of hope to other deprived groups in Canada, and an examination of basic values and principles among those in power to make decisions about people like those on Fogo Island.

Recommendation

That the Department of Regional and Economic Expansion fund a research grant for the purposes of examining the developments on Fogo Island during the past three years, and for determining the causes for that development, in the expectation that such research would provide a possible guide to rural redevelopment elsewhere in the Atlantic Provinces. The findings should be made public and distributed widely.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

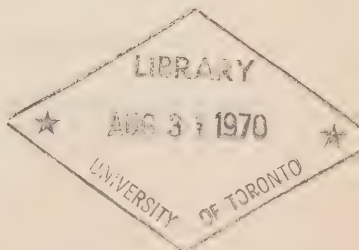
POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 53

MONDAY, JULY 6, 1970

INTERIM REPORT



MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Fergusson	MacDonald (<i>Queens</i>)
Carter	Fournier (<i>Madawaska</i>)	McGrand
Connolly (<i>Halifax North</i>)	Restigouche,	Pearson
Cook	<i>Deputy Chairman</i>)	Quart
Croll	Hastings	Roebuck
Eudes	Inman	Sparrow
Everett	Lefrançois	

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Mada-waska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

EXCERPT FROM THE MINUTES OF PROCEEDINGS OF A MEETING OF THE SPECIAL SENATE COMMITTEE ON POVERTY, held in St. John's, Newfoundland, on Monday, July 6, 1970.

Present: The Honourable Senators: Croll (*Chairman*); Carter, Cook, Eudes, Fournier (*Madawaska-Restigouche*), Hastings, Inman, McGrand and Quart. (9).

In attendance: Mr. Frederick J. Joyce, Director; Hon. Stephen Neary, Minister of the Department of Social Services and Rehabilitation of the Province of Newfoundland.

It was proposed by the Honourable Senator Carter and unanimously Resolved:

That the statement made in the Senate by the Honourable David A. Croll, Chairman, on Thursday, June 25, 1970, be printed as part of the record of the proceedings of the Committee.

ATTEST:

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

INTERIM REPORT OF SPECIAL COMMITTEE

Hon. David A. Croll: Honourable senators, I would ask leave to make a report now on the progress of the work of the Senate Special Committee on Poverty.

The Hon. the Speaker pro tem: Honourable senators, is it unanimously agreed that the honourable Senator Croll have leave to speak on this subject now?

Hon Senators: Agreed.

Hon. Mr. Croll: Honourable senators, originally I had intended to speak on the committee's summer project, but I think more needs to be said than just that.

In the time available today, I wish to give a short, perhaps incomplete, bird's-eye view of what has transpired before the committee, with some broad general observations. These will not be in depth; I will touch merely some of the highlights. To this date, no definitive decision has been made by the committee on any of the principles which in due course it will have to enunciate.

The committee was established on January 23, 1969 and the hearings commenced on April 22, 1969. Mr. Fred Joyce was appointed director; briefs were solicited, and a small, competent staff was recruited. I shall say something about the staff on another occasion—something complimentary. They did some housekeeping, the organization was undertaken and ground rules were laid down.

The committee has been sitting in Ottawa every Tuesday and Thursday, without a break, since April of last year. We have heard 65 briefs. The committee has also had hearings in Halifax, Charlottetown, Winnipeg, Vancouver and in Toronto, where we received 47 briefs. In all, we have received a total of 112 briefs.

We were the first government body to reach out to the poor in their own locale and in their own environment. We went there and said, "Tell us your troubles." It was a precedent. Last week the Canadian Welfare Council followed that precedent and held a meeting in Toronto to which they invited quite a

number of poor people. As a matter of fact, they brought in a number of people from various parts of the country, and you will probably have noticed that, according to the newspapers, there were some commotion because of some of the people present. When I read the report I realized that there were some there from our own alumnae, whom we had met on another occasion. It seemed that they had learned a few things since they appeared before us.

Before we made our trip, many of use were told that it was an unusual thing to do and that we would have some difficulties to face. Nevertheless, we decided to face the wrath. There were some rough days ahead and we took our lumps—but we kept our cool.

During the summer recess the committee will visit Newfoundland, Alberta, Whitehorse, New Brunswick, Saskatchewan, Quebec and the Gaspé-Rimouski area. I shall give you further details of that later.

Early in October when we return—it appears that the house will return on October 5, and as usual, I suppose we will return a week later. At least, I hope so!

Hon. Mr. Martin: Maybe earlier.

Hon. Mr. Croll: If you return earlier, you will return alone!

Hon. Senators: Hear, hear.

Hon. Mr. Croll: When we return...

Hon. Mr. Martin: We will be returning earlier!

Hon. Mr. Croll: ...we shall hear from Quebec, British Columbia, Manitoba, the Canadian Congress of Labour and six important groups that have not been able to appear up to the present time.

We look forward to completing our formal hearings by the end of October. Then, of course, the most trying part of our undertaking will be ahead of us, to make a total and

meaningful report in accordance with our terms of reference. The reference directed us:

—to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures.

So, we on the committee realize that the report must articulate the nation's values; it must define its goals; and it must marshal its will—to the end that Government will take such steps as are necessary for the implementation of the report, so as to give meaning and purpose, and hope to the poverty stricken, as well as a challenge to the rest of us to eradicate a social plague which is unworthy of a great people in a great country.

The report can and must lead to the most progressive social advancement in the second part of the century. To do that it must break new ground and it must reach for new horizons.

Today I will speak in generalities and will neither define nor refine principles. I shall deal rather with the matters that were raised before the committee and repeated time and again. It is a consensus that I have in mind.

Let me speak first about the welfare system. The welfare system is a mess. Billions of dollars have been spent on social services which are failing their clients. There is an almost total loss of confidence in the system. Program has been piled upon program without evaluation to determine whether they are meeting the original objectives, or whether the original objectives are still valid.

Programs contain serious gaps. There has been a build-up of hostilities and frustrations. The sense of being on the dole, the lining up for a weekly or monthly cheque is demeaning. People prize their dignity. Recipients, by reason perhaps of the administration or otherwise, fight the system. They try to beat the game. They resent their lot in life, and they blame the system and the establishment.

The welfare system at best does not provide a decent living for the recipients. The system is limited for coverage. The Canada Assistance Act does not exclude the working poor, yet it has only just begun to be used by some of the provinces, and even they are using it in a most reluctant fashion. The

insecurities built within the system tend to perpetuate poverty.

One of the great evils is unevenness of level of assistance. I have here an example which I think will make an impression upon you.

We took a family in Hull and a family in Ottawa of approximately the same age, with the same number of children, living in the same circumstances and paying approximately the same rent. One family lived on one side of the river, one on the other. The man in Ottawa received \$100 a month more from welfare than did the man in Hull, and has been receiving it for some time. That unevenness persists across the whole country, and we have documented it. It is one of the evils that persists within the system.

There is unfair financial burden upon the poor provinces. The Provinces of Ontario, Alberta, and British Columbia can take advantage of a fifty-fifty deal and put up dollar-for-dollar under the Canada Assistance Act, and use some of their equalization money for the building of bridges or for whatever else they may want to use it, while the poor provinces are unable to do that. The result is that in the final analysis the beneficiaries of the Canada Assistance Act are the treasuries of the rich provinces. The poor provinces can give their people very little. There is an unfairness about it. There is a total loss of confidence in the administration, and the system is, in my view, distrusted.

In addition, other Canadians, those who pay the piper, have lost confidence in the system, but for different reasons. Many of them think that the vast majority of welfare recipients are cheaters and bums who will not work. Time and again we have proved that not to be true, and could not apply to more than one per cent of the people who are receiving assistance. But these misguided opinions do not die. They are there and believed. There are others just as bad.

It is well to note that as against the welfare system the people welcome old age security, family and youth allowances, despite their inadequacy at the present time. They feel they come to them as an earned right by a method and delivery which has dignity, which they respect.

During the course of the hearings a great deal of awareness was sparked with respect to the plight of the poor. This resulted in the improvement of important administrative procedures and some increases to and adjustments of allowances.

A more important aspect was raised by the lady senators during the appearance before the committee of the Minister of Social and Family Services of the Province of Ontario. Welfare recipients in Ontario give the authorities the right to enter their homes under any circumstances. The practice is followed whereby many female heads of families experience a midnight knock on the door accompanied by a visit from the welfare investigator. He is not checking on the cleanliness of the house or how the children are cared for, but for the presence of a man. The investigator has a habit of visiting at various hours.

The point was raised that this is an invasion of privacy. The investigator should be allowed to visit only during the daytime.

Hon. Mr. Choquette: There would probably be no man present during the daytime.

Hon. Mr. Croll: Perhaps that is correct. The Honourable John Yaremko, Minister of Social and Family Services of the Province of Ontario, yesterday announced that this practice would be abolished and so advised the Toronto City Council.

Honourable senators may ask, how important is that? It is important to the people concerned and it is important to us. These people have their rights and dignity. If that practice does not apply to us it should not be allowed to apply to them. It is as simple as that. We may as well make our understanding of these matters clear.

It is important that we have activated the poor. They have become aware not only of their rights, but their responsibility. Instead of being part of the problem, they are beginning to become part of the solution. Therein lies our hope for a new beginning. If we succeed in bringing them into the fold and the decision-making process, we shall have attained much.

It is my opinion that the day of quiet losers is coming to an end. They are not going to continue taking it in the way they have done in other days. They will want to be heard, and they want things done in a way they can appreciate so that their lot in life will be improved. We have tried to instil into them confidence that they can affect the system by more active participation. If we do that, we will have achieved considerable success.

Now let me define poverty, Honourable senators know what it is as well as I do but it is well to hear how the experts define it. I can take honourable senators back almost 75

years in history, but as they have not yet decided on a definition, we must take our choice. The definition of the Economic Council of Canada is:

Insufficient access to certain goods, services, and conditions of life which are available to everyone else and have come to be accepted as basic to a decent, minimum standard of living.

Poverty, thus defined, is not quite the same as low income. That is the definition of the Economic Council.

The Dominion Bureau of Statistics definition is:

A basic assumption for the main set of estimates was that any family or individual spending more than 70 per cent of total income on food, clothing and shelter was in a low-income situation and likely to be suffering from poverty.

John Kenneth Galbraith, who is worth listening to, has a different definition in *The Affluent Society*:

People are poverty stricken when their income, even if adequate for survival, falls markedly below that of the community. Then they cannot have what the larger community regards as the minimum necessary for decency; and they cannot wholly escape, therefore, the judgment of the larger community that they are indecent.

The poverty line fixed by the Economic Council in 1968 is no longer valid. The cost of living since that time has risen 8 per cent, and thus it appears more in these terms. In 1968, for a family of one, it was \$1,800; in 1970 it is \$1,944. In 1968, for a family of two it was \$3,000; it is now \$3,240. For a family of three, in 1968 it was \$3,600; it is now \$3,888. For a family of four, in 1968 it was \$4,200; it is now \$4,536. It keeps increasing at a rate of \$600 for each child. So that, due to inflation and unemployment the relative position of the poor has worsened.

No matter at what figure the poverty line is fixed, it is evident that two vital factors have to be considered: the rise in the cost of living and participation in the gross national product, which is the standard of living. The cost of living escalator alone denies to individuals and families participation in the rising standard of living. If only the cost of living escalator is used, in not too many years a situation similar to that which prevails in the children and youth allowances will result. The ade-

quate use of the allowance has deteriorated, because of the rise in the cost of living, to make it almost meaningless at the present time.

The Old Age Security was strengthened by the supplement, but even it has become inadequate in this day and age. It therefore becomes clearly obvious that the poverty line must rise for two reasons, increased cost of living and increased standard of living; otherwise it will soon become obsolete and we will have to start again on the merry-go-round of the question of where is the poverty line and who is in poverty, instead of once and for all encouraging it in such a way that it moves on its own with the wealth of the country.

We began our hearings, as I hope you would have expected of us, and found that there were about four million people in Canada below the poverty line. We started out to try to identify them as to where they are, who they are and why they are there. We found that there were about 1,250,000 families—850,000 of whom are in the labour force. We then broke them up. We first took a look at what we call the disadvantaged, persons who are no longer able to participate fully in the labour force, such as the blind, the crippel, the maimed and the aged. We studied the females who became heads of the families because of desertion, divorce death and detention, and these we called our 4-Ds. There are 160,000 of them in Canada, with 350,000 dependent children.

We found the other disadvantaged people to be the welfare poor. In addition, we had the hard core and those who were unstable, had chronic illnesses or other causes. They represent approximately 45 to 50 per cent of the poverty group and there was no difficulty identifying them. We had their names, addresses and we knew where they were and how they got there. Our job now is to get them out.

We still have another group which total almost 50 per cent. The percentages are not as easy to come by, therefore you will have to take a reasoned view of them. This group is the working poor. You remember that I said there are about 850,000 of them. Some work full time, some part time and some accept casual work, but mostly they are unskilled and lack education. We do not consider these people to be part of the welfare group or the syndrome of the welfare web, because they have a different type of problem. Moreover, within that group of four million people who are below the poverty line there are two

million children who share the family fortunes.

It is interesting to know where the poor are. These are the 1969 figures. Since I was unable to find any figures more accurate than these you will have to make some allowances. This is the geographical breakdown of Canadians living below the poverty line:

Region	Percentage of Population	Numbers
Atlantic Provinces	15	240,000
Quebec	30	1,400,000
Ontario	25	1,400,000
Prairie Provinces	20	540,000
British Columbia	10	240,000

I should like to give you a few more facts. There are more poor people in central Canada, Quebec and Ontario, than in the rest of Canada. There are roughly as many poor in Quebec as in western Canada and more than in any other single region, and approximately as many poor in Ontario as in the Atlantic and Pacific coastal regions, and more than in any other single region outside of Quebec.

Hon. Mr. Urquhart: This is the percentage of the population?

Hon. Mr. Croll: Yes. I took the population of the Atlantic Provinces as two million in 1969.

Let us go back for a moment and speak about those who are no longer able to participate in the labour force. It is evident from the consensus of opinion that there is a need which can be defined. These people need income, services and opportunities. In so far as the female head of the family is concerned, she should have a choice to participate in the labour force. If she is qualified and is able to take work it will be up to her. If she wants to stay home and look after the children, that will also be up to her. As you can see, we consider her a little different. I repeat, the consensus is that these people who are disadvantaged must be provided for in an obvious fashion, with income, services and opportunities, because their problem was and is a solvable one.

The committee, of course, will take all of these views into consideration. I state them emphatically because they were emphatically stated to us. We have the working poor—and that is a hard nut to crack because it has

many ailments. They are unorganized, unskilled and unlettered, but willing to work—able to work and handicapped with a lack of skills and education. They need employment. If they are unable to obtain employment, then we must look for the alternative which is an adequate unemployment insurance. If an adequate unemployment insurance runs out, then we must consider the future alternative of a maintenance income. That means that the Government will be the employer of last resort.

It is necessary for us to keep in mind, as the new unemployment act suggests, that 4 per cent will be a tolerable unemployment figure. This means that 300,000 people will be unemployed in this country, and that will be tolerable. It was never that high; we always thought of it as 2 per cent. We must keep in mind the fact that there may not be jobs for these people. There are some indicators you have to read. These people need training, retraining and various kinds of education. I am not thinking of a formal education, in that sense. There is education which is very useful to people but not taken at the university level. I hope everyone agrees with that. They also need taxation relief and work incentives. That is a bugbear with the Canadian people—I shall speak about work ethics in a short while. They need it for themselves, and they are very anxious to have these things.

Honourable senators, the matter of maintenance income came up before us time and again. There was almost total agreement on it. So we have to give consideration as to how it should be made available. The consensus was that income should come from the federal Government, services should come from the provincial government, and delivery can be made by the Canada Assistance Act.

The Canada Assistance Act is an excellent measure and was to be used as an umbrella for all the social measures—with two exceptions, which I shall mention. There was not to be a tent over the Canada Assistance Act. Specifically, it was to be an umbrella. All the various programs, 200 or more, were to be consolidated, streamlined, examined and evaluated from the point of view of efficiency and propriety. The suitable programs were to be under the umbrella of the Canada Assistance Act, so that it would be in a nice neat package. That can be done. The Unemployment Insurance and the Canada Pension legislation were not to be included.

Honourable senators, in the presentations made before us, there was much hope ex-

pressed regarding the raising of our sights. There was an evaluation that we were in a better position, in a war on poverty, than our American cousins. We have a better chance to win that war, and we can do so.

We have no racial problem, with a black lash and a white lash. We have no Puerto Rican problem. These constitute about 25 per cent of problems in the United States.

One of the other advantages is that the Canada Assistance Act is national and can be applied uniformly across the country. We have had a great deal of valuable experience with it; it has been tried and tested, and it can be used administratively almost immediately.

Honourable senators, in examining our situation, we realized the difficulties experienced in the United States, and we heard what they were doing about this problem. That information made us realize that our chances of success were better than theirs. There was a further reason for this, as you will understand as clearly as anyone in the country. One of the great blessings in our land is medicare and hospitalization.

Hon. Mr. Martin: Hear, hear.

Hon. Mr. Croll: Neither of these is available in that sense in the United States. It has been proved beyond a shadow of doubt that chronic, prolonged, irremediable illness is the greatest pauperizer. When you touch that, you are really touching the soft spot in poverty. It pauperizes the individual, it pauperizes the family, it pauperizes the generation.

The poor and the poverty stricken benefit now, and will continue to benefit even more from medicare and hospitalization programs as the benefits are improved. The quality of the medical service is good, yet when the doctors were before us they did not disagree on the point that there is room for improvement. Their delivery of service is not good. There is a need for neighbourhood clinics to reach the poor, at storefront access, on a shopping-centre concept. There is a shortage of doctors and the distribution is bad.

Hospitals are for doctors, in the main, and the outpatient department in our hospitals today has not changed in fifty years. They said they were doing something about it, and it is about time they did. That will come about; that will improve. To the poor and the poverty stricken, those are great benefits.

When the Americans came along with their program, the Nixon program of a guaranteed

income of \$2,400 per family of two—nothing for a family of one—I said to them at that time that this would not work. When we discussed it with some of the men at our embassy, I said: "It will not work, because you are in difficulty on your basic needs; you are all right on education, but medical services and hospitalization are the big issues so far as the poor are concerned." I was told: "They get their medical services by the age of 65 and over, and hospitalization too."

Honourable senators will have noticed that when the Nixon plan went to the committee the other day, the committee examined it and sent it back, stating that the situation would have to be corrected. The plan has to come back now for a further amendment of the act, to include all those who get the benefits of the guaranteed income as well as those persons over 65. We in Canada have already provided for that, so there are some pluses of which we can take advantage.

Honourable senators, another consistent theme before our committee was that of education. Speaking for myself—and I am sure I speak for the committee when I say this—education is a great equalizer. Education, in the modern sense, not formal education; education that is environmental, education cultural, education on resources.

The poor need educating at a very early age. Competent people told us that for the poor we must begin at three years of age. If it is neglected until they are four, they are losing ground; and if we wait for kindergarten, they are handicapped. All the evidence before us is that the poorest schools and the poorest teachers are among the poor—the people who need the superior schools, the superior teachers and the superior facilities. We are looking seriously into that situation.

Hon. Mr. Flynn: What are you going to do about the educated unemployed?

Hon. Mr. Croll: They will get jobs. They always have. The educated unemployed have never been a problem in this country.

Hon. Mr. Flynn: They are.

Hon. Mr. Croll: From time to time, some of them do not get jobs at the salaries they require. Their chances of getting jobs will be very much better than others.

Hon. Mr. Choquette: Ask them? Were your terms of reference so vague that you could go wandering all over the country, with all these

questions, including education? It certainly was a wide field, was it not?

Hon. Mr. Croll: That was the intention, that we should take a look at it in its totality. That is what we were asked to do.

Hon. Mr. Flynn: That is what he was afraid you were going to do, but he didn't find any solution.

Hon. Mr. Croll: He didn't reach that conclusion at all.

Hon. Mr. Flynn: The Tower of Babel.

Hon. Mr. Croll: I am sorry, I did not hear what you said.

Hon. Mr. Flynn: You speak as if you were around the Tower of Babel.

Hon. Mr. Croll: Again if I have not yet penetrated with what I have said so far, one of us is not doing very well.

Speaking of education, I quote from Mr. Galbraith, who said:

To the best of my knowledge there is no place in the world where a well-educated population is really poor.

And education may well turn out to be the most potent weapon we have. I think we have to convince the Canadian people that education is the diploma out of poverty.

As I said, we had discussed the guaranteed maintenance income, and to me it is an idea whose time has come. From the arguments we heard, or at least from some of the arguments, I was reminded very much of what I had heard on many other occasions when we proposed some social measure. A philosopher once said that all good ideas pass through three stages—ridicule, discussion and adoption. Social ideas with political ramifications pass through five stages; those opposed always say, firstly, it is impossible; secondly, it is unconstitutional, thirdly, it may bankrupt the country, fourth, it is not a bad idea but you are going about it in the wrong way, and then finally in the end they say they were for it all the time.

I think honourable senators will find that this coincides with some of the views expressed at the present time, because the concept of a guaranteed income was overwhelmingly endorsed by logic, by force, by understanding. It was discussed responsibly, as was the work ethic about which I will have something more to say in a few minutes.

The suggestion took these forms: a guaranteed income, which is sometimes called the maintenance income; and the method of delivery, either by a negative income tax form or by the demogrant form. All of these have been discussed and studied in academic circles for some time. They have been misunderstood in the highways and by ways of this country, and they have been mistrusted by a great number of taxpayers. Yet, in principle, the Government has been practicing them with the approval of the country. I think it is well to recognize that if we are to win this war on poverty, this affluent country of Canada will have to deploy some of its resources towards redeeming the poor and make better use of the resources now being spent on the poor.

From the time that we began our study, public opinion has changed on many things. We now have a better understanding of our purposes, our desires and our will. The greatest detractors have admitted the inevitability of some form of maintenance income for people in circumstances of poverty, so far as people appearing before the committee are concerned. They are as responsible as any people in this country; their view could be summed up in the question. "How soon, how much, and by what means do you implement the concept?" As far as the poor themselves are concerned, they will do anything to become persons again.

A study of the guaranteed income has been made by the Conservative Party and was approved in principle. The New Democratic Party has also made a study, and it is approved in principle. The Social Credit Party has made a study and they have approved it in principle. And, as I say, the Government of the day has been practicing it. Those of you who have time on your hands and are interested in the subject would be interested in the presentation made before the committee by the Department of National Health and Welfare. It was a very healthy one.

Hon. Mr. Flynn: It surely should be.

Hon. Mr. Croll: An excellent presentation was made by Dr. Willard, and every word of it had to be read. He took eight pages to discuss the guaranteed minimum wage concept. Let me read you a quote from Dr. Willard on that concept, printed in the *Montreal Star* of June 20.

Sources in Ottawa have accepted the fact that in terms of the working poor the Canada Assistance Plan has been a

failure. Because of this, many Ottawa experts feel it may be only through a guaranteed annual income (which is not selective about what kind of poor get help) that the working poor can receive assistance.

Dr. Joseph Willard, deputy minister of National Health and Welfare, stressed this in a Toronto speech recently when he said that "the new income-tested technique or guaranteed annual income approach will receive greater attention" in future.

He pointed out that it is a more efficient anti-poverty tool than either the "demogrant" (family allowance, for example) or social insurance techniques, and that its main thrust is to help the working poor.

Hon. Mr. Fournier (De Lanaudière): Honourable Senators, may I be permitted to put a question to the honourable gentleman? Will the honourable senator, who is just resuming his seat...

Hon. Mr. Choquette: He is only resuming it because you are asking him a question.

Hon. Mr. Fournier (De Lanaudière): I would like to ask him how much it has cost the people of Canada—and I am not just referring to Government, because the Government is just one element—to take care of the poor. Furthermore, I would like to know from the honourable Senator Croll how much more it will cost the Canadian people, and by that I mean everybody in Canada, to follow his suggestion?

Hon. Mr. Croll: The cost is now between 7½ billion and \$8 billion, in total—municipal, provincial and federal—for social services of every kind. As to what the cost will be, I will come to that, but you cannot fix the cost until you fix the poverty line. Until such time as you lay down the line where you start, it is not possible to fix the cost; but, as I say, I will discuss that in a few moments.

One of the things that is troubling the Canadian people is the work ethic, the desire of people to work, the concept of having to work. The question that arises is, "Will they work if they are given a basic income?"

The Americans are plagued with the very same problem. In 1968 the Office of Economic Opportunity initiated an experimental project in New Jersey, the graduated work incentive experiment, to measure the effects of a program that assures families a minimum income

level in a manner designed to protect their incentives to work. We are faced with exactly the same problem. Of course we are privy to all their findings, and they keep us informed. It is a program costing some \$5 million; we take a free ride, and they are glad to be helpful to us.

They are not complete, but these are the preliminary findings that they have published and have been accepted. I read from page 14, under the heading "Attitudes Toward Work":

In-depth interviews with participants indicate that the low-income individual is strongly motivated toward work.

As shown in Chart VI, the majority indicated that they aspire for a better job and are willing to move to another city or take training even if it meant a pay cut in order to get that better job. The majority also indicated that they are willing to work two jobs to support their families. Of all the factors influencing work choice, job security was ranked twice as high by participants as any other job factor, including wages, working conditions, or job interest.

These responses from the participants indicate that supplementary income assistance will not reduce their work effort.

It is more than that.

Chart VI reads:

Attitudes Toward Work	Per cent
Aspire for a better job	65
Would move to another city for a good job	56
Would take training with pay cut to get better job	55
Would work two jobs	60
Job stability is <i>twice</i> as important as any other aspect of job	
Low income people are <i>strongly</i> work motivated.	

Among the many interesting findings is one with respect to administrative costs. Talking about guaranteed income, this is said:

The estimated total cost per family for this type of administration is \$72 to \$96 per year, exclusive of work training and day care costs. This figure compares to the estimated cost of \$200 to \$300 per family per year for the existing welfare system, also excluding the costs of training and services.

Hon. Mr. Fournier (De Lanaudière): From where do those figures come?

Hon. Mr. Croll: This is from a publication entitled, "Preliminary Results of the New Jersey Graduated Work Incentive Experiment," put out by the Office of Economic Opportunity in the United States.

Hon. Mr. Fournier (De Lanaudière): Is that an official organism?

Hon. Mr. Croll: Yes, a department of government.

The detractors of the guaranteed income make two arguments: firstly, that money alone will not solve the problem and, secondly, that it will be too expensive. Let us examine those arguments for a few moments.

No one appearing before the committee made any statement that money will solve the problem. No member of the committee made any such statement or believes it. The poor do not even believe it. Money is the first step out of poverty but it will not solve the problem. There is much more to it than that. The most important solution to it is, as I have indicated, jobs or alternatives to jobs, whatever they may be, along with training and so on. If the problem could be solved by money alone, the Americans, who began their fight against poverty by trying the "money alone" approach, would have solved it, but they did not and have changed their course.

The following is a quote from Molly Orshansky, one of the senior civil servants in the United States Department of Agriculture, and an international authority on poverty statistics. She appeared before the Joint Economic Committee in the Congress of the United States in June 1967, and this is what she said:

If money alone will not solve the problem of poverty it is still true that without money nothing else will avail much either. Mathematically, it falls in the category of necessary but not sufficient conditions. Pragmatically it is undoubtedly true that the persons who declaim loudest that "money is not everything" are those who already have some.

Hon. Mr. Flynn: On which side are you?

Hon. Mr. Croll: I am on her side.

We must remember that to the poor money is coined freedom. In the future we shall have to deal with the poor in the currency they understand. We might as well make up our

minds if we are serious, that the Canadian dream will not be tax free.

The second argument is that it is too expensive, that we cannot afford it now. Must it all be "now"? Rome was not built in a day! Do we not need a plan, an objective, a purpose and some ground rules? Cannot we phase it in, whatever it may cost—a little now, a little more tomorrow—so long as we know the direction in which we are travelling and the objective we want to attain? Every social measure we have on the statute books of this country has been phased in. It may have had small beginnings, but we knew what we wanted in the end and we attained it. We cannot afford to take the "now or never" approach. We cannot afford to do a patchwork job, or a band-aid job, or a finger-in-the-dyke job, and think we are making progress. We have tried all these remedies before, and they have failed.

Hon. Mr. Flynn: This is a change in the social order.

Hon. Mr. Croll: Nobody is changing the social order.

Hon. Mr. Flynn: Judging from the way you speak, there is no other way out.

Hon. Mr. Croll: I have not said there will be no change when we make a further contribution to alleviate the conditions of people who live in poverty. There has not been a change in the social order for twenty years. For twenty years there has been no redistribution of wealth in this country. Are the people not entitled to some change?

Hon. Mr. Flynn: Are you suggesting that what has been done over the past twenty-five years has been to no avail, and has served no purpose?

Hon. Mr. Croll: No, no.

Hon. Mr. Flynn: I suggest to the honourable senator that there are more people living in poverty today than there were, and that is after all these efforts.

Hon. Mr. Croll: The honourable leader was out of the chamber when I indicated that the conditions of poor people have worsened recently.

Hon. Mr. Flynn: Despite all that we have done.

Hon. Mr. Croll: No. It worsened recently for two reasons—inflation and unemployment.

Hon. Mr. Flynn: Ah...

Hon. Mr. Croll: But, wait a minute. We have to make some changes in our social order. I remember the theory of Mackenzie King who thought that he could get redistribution of wealth by social measures. At the time that appeared to me to be a good theory. But, you know what it has done in twenty years. It has made a two per cent difference in the redistribution of wealth, and nothing else has happened. So if I now suggest some further redistribution of wealth, I am told I am advocating a new social order, although my honourable friend did not say it was socialism, or something else. Is that a new social order?

Hon. Mr. Flynn: I think we have to come to that conclusion, judging from your argument up to now.

Hon. Mr. Croll: I am giving you the consensus of those who have appeared before the committee, not that of the committee.

Hon. Mr. Flynn: Very well.

Hon. Mr. Croll: I have my views, and I am not the sort of fellow who hides them under a bushel. My honourable friend knows that.

Hon. Mr. Flynn: No; that is obvious.

Hon. Mr. Croll: And you would not want it any other way, I hope.

Hon. Mr. Flynn: You are not speaking for the committee?

Hon. Mr. Fournier (De Lanaudière): Well, I...

Hon. Mr. Croll: Just one second, senator. I started out by saying that I was making a report on the opinion expressed before the committee.

Hon. Mr. Flynn: But you are not hiding your own views.

Hon. Mr. Fournier (De Lanaudière): Whether you call it the consensus of the committee or something else...

Hon. Mr. Croll: It is not the consensus of the committee.

Hon. Mr. Fournier (De Lanaudière): ...I would like to know in a clear-cut way whether the honourable gentleman is proposing a socialist state for Canada or something else.

Hon. Mr. Croll: Are you sure that we have not a socialist state in Canada already?

Hon. Mr. Fournier (De Lanaudière): No, sir.

Hon. Mr. Croll: I am happy with what we have at the present time. I have always supported the Liberal party which, if not openly socialistic, at least takes socialistic measures though it is not supposed to be a socialistic party. I have been a member for a long time.

Hon. Mr. Fournier (De Lanaudière): I am not prepared to accept that. My honourable friend used to be a Liberal. I do not know to where he has gone today. In the past I know he was a Liberal, and in the minds of Liberals there is a national wealth that has to be distributed in an honest way, in a free way, to those who have less from those who have more. That is why we have what was called by George Drew, a former Prime Minister of Ontario, the baby bonus.

Hon. Mr. Croll: What is your question, senator?

The Hon. the Speaker pro tem: Order. I do not think the honourable Senator Fournier (De Lanaudière) is asking a question. He is making a speech.

Hon. Mr. Choquette: May I help to synopsize his question?

The Hon. the Speaker pro tem: Order, please. Unanimous consent was given to the honourable Senator Croll to make an interim report of the Senate Special Committee on Poverty. All honourable senators will agree that this is not a time to open a debate. Some of the remarks that have been made so far have not been questions, but rather argument. I would ask honourable senators to assist the Chair in dealing with this matter in an orderly fashion.

Hon. Mr. Flynn: I rise on a point of order, Mr. Speaker. It is, of course, up to the honourable senator who has the floor to accept or refuse questions. If he accepts them, then I do not think it is the duty of the Chair to intervene. If the honourable senator is tired of the interruptions, he can refuse to answer questions. But as long as he is prepared to accept questions, then there should be no intervention.

The Hon. the Speaker pro tem: I agree with the honourable Leader of the Opposition. Before rising, I took great care to note that the remarks of the honourable Senator Fournier (De Lanaudière) did not comprise a question. They constituted an argument more than a question. If the Chair allows this type of

discussion to continue, we will be involved in a debate.

I draw the attention of honourable senators to the fact that this is merely an interim report of the committee. The report will be considered in the fall, at which time all honourable senators will have an opportunity of making whatever contributions they wish.

Hon. Mr. Flynn: If this is an interim report, then look out for the final report!

Hon. Mr. Fournier (De Lanaudière): Honourable senators, the honourable gentleman received the unanimous consent of the house to put his case. At the proper moment I asked his permission to put a question, which he accepted. That was quite in order. Of course, I had some reasons for putting my questions, but before I was able to explain all my reasons I was declared out of order. I was simply asking the honourable gentleman if he is a Socialist, a Tory, a Liberal, or a member of the N.D.P. I should like to know where he stands.

Hon. Mr. Croll: Are there any sensible questions? If not, I will continue. If any honourable senator has a question, then I shall be pleased to try to answer it.

Hon. Mr. Choquette: I should like to know if the honourable senator's theory is this: not necessarily socialism, but socialism if necessary.

Hon. Mr. Flynn: He is a disciple of MacKenzie King.

Hon. Mr. Croll: I am delighted to hear these thoughtful observations, but I shall go on with my speech.

My purpose, as I stated originally, is to indicate to the house something of what the committee is going to do this summer. The members of the committee consider that there is great urgency about the problem of poverty, and they have agreed to give up their summer in order to visit those areas of Canada that they have not yet visited.

The first visit of the committee will be to Newfoundland and Labrador in the week of July 5. This will be an extensive tour of the Province of Newfoundland, to include St. John's, Gander, Fogo Island, Corner Brook, St. Anthony's, and Labrador.

Two weeks later, on July 19, the committee will be visiting Calgary, Edmonton, Whitehorse, and the Northwest Territories.

During the first week of August, the committee has an extensive tour planned of New

Brunswick, which includes Moncton, Saint John, Fredericton, Chatham, Newcastle, and Bathurst.

During the week of August 16, the committee will visit Saskatchewan. The areas to be visited are Regina and Prince Albert, and rural Saskatchewan.

During the week commencing August 30, the committee will visit the Gaspé Peninsula and northern New Brunswick. This visit will include Rimouski, Edmundston, Gaspé, and Campbellton/Restigouche.

I did not refer to housing, manpower, the role of the social worker, legal aid, taxation, day care centres, nursing homes, nor a myriad of other matters that have been brought to our attention and will have to be considered by the committee. That will be done on another occasion.

I have given a fair idea of the problems which have been presented. This is the consensus of the views of people who have

appeared before the committee and the work which we feel it is our duty and responsibility to carry out.

For the balance of this summer we will visit various provinces which I have already mentioned. We would very much welcome any honourable senators who are in the provinces at that time to join us at our hearings. We will be glad to give you a copy of the program, if you wish.

One would go far to find a more devoted, responsible and co-operative group of men and women than those on the committee. They are concerned and hard-working. It has been a tiring grind, but every member of the committee feels a personal responsibility for finding a solution.

I believe that we have established a credibility in the country and that it will have confidence in our determination, ability and concept to formulate plans which will remove the curse of poverty which sears this land.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE
ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 54

TUESDAY, JULY 7, 1970
WEDNESDAY, JULY 8, 1970

WITNESSES:

(See the MINUTES OF PROCEEDINGS for the names of the witnesses who were heard.)

APPENDICES:

- "A"—Brief submitted by the Inter-Faith Social Action Committee.
- "B"—Brief submitted by the Newfoundland and Labrador Rural Development Council.
- "C"—Brief submitted by Frontier College Field Workers.
- "D"—Brief submitted by Northern Regional Development Association Committee (Zone No. 1, Bonne Bay-Trout River).
- "E"—Brief submitted by the International Grenfell Association.
- "F"—Brief submitted by St. Anthony Town Council.
- "G"—Brief submitted by a group of citizens from Cartwright, Labrador.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche</i> , Deputy Chairman)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Madawaska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative."

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, July 7, 1970
WEDNESDAY, July 8, 1970

Pursuant to adjournment and notice the Special Senate Committee on Poverty met as two separate Sub-Committees:

Sub-Committee "A", Honourable Senator Croll (*Chairman*);

Sub-Committee "B", Honourable Senator Carter (*Chairman*).

On Tuesday, July 7, 1970, Sub-Committee "A" visited Fogo Island.

Present: The Honourable Senators: Croll (*Chairman*); Cook, Inman and Quart. (4)

In attendance: Mr. Frederick J. Joyce, Director.

In the morning and afternoon of Wednesday, July 8, 1970, Sub-Committee "A" visited Cox's Cove, Port au Port and the Lourdes Area.

Present: The Honourable Senators: Croll (*Chairman*); Cook, Inman and Quart. (4)

In attendance: Mr. Frederick J. Joyce, Director; Mr. Charles Askwith, Administrative Officer.

A brief summary of these meetings follows these proceedings.

At 7.35 p.m. on Wednesday, July 8, 1970, Sub-Committee "A" met in the AFL-CIO Local 64 Hall, Corner Brook, Newfoundland.

Present: The Honourable Senators: Croll (*Chairman*); Cook, Inman and Quart. (4)

In attendance: Mr. Frederick J. Joyce, Director; Mr. Charles Askwith, Administrative Officer.

The following witnesses were heard:

Mr. Grant Hiscock; Deer Lake and Environs Associations: Mr. Grant Hiscock; Mr. E. L. White; Mrs. Catherine Penny; Mr. Jack Marshall, M.P.; Dr. Noel Murphy, Mayor of the City of Corner Brook.

Port au Port Economic Development Association: Mr. Jim Campbell; Mr. Eric Tricklan, Memorial University of Newfoundland; Mr. R. McGillivray.

Inter-Faith Social Action Committee: Rev. W. J. Baker, United Church; Prof. Turner; Mr. Gilbert Higgins; Mr. Kevin Berry; Mr. Jim Walsh.

At 11.00 p.m. Sub-Committee "A" adjourned.

A brief summary of the evidence heard by Sub-Committee "A" follows these proceedings.

On Tuesday, July 7, 1970, and Wednesday, July 8, 1970, Sub-Committee "B" visited the northwest coast of Newfoundland and Labrador.

Present: The Honourable Senators: Carter (*Chairman*); Eudes, Fournier (*Madawaska-Restigouche*); Hastings and McGrand. (5)

In attendance: Mr. Alan Holman, Community Liaison Officer.

A brief report by the Chairman of Sub-Committee "B", the Honourable Senator C. W. Carter, to the Chairman of the Committee, the Honourable Senator David A. Croll, follows these proceedings.

* * * * *

During the Committee's hearings in Newfoundland, the following briefs were submitted and received; they are on record in the Reference Library of the Committee:

1. Newfoundland Co-Operative Services
2. The Householders' Association of Mundy Pond
3. Canadian Federation of University Women (2nd brief)
4. Cox's Cove-McIvers Improvement Committee and the Cox's Cove Community Council
5. Port au Port Economic Development Association
6. Deer Lake and Environs.

The following briefs presented to the Committee were ordered to be printed as Appendices to these Minutes:

"A"—Brief submitted by the Inter-Faith Social Action Committee;

"B"—Brief submitted by the Newfoundland and Labrador Rural Development Council;

"C"—Brief submitted by Frontier College Field Workers;

"D"—Brief submitted by Northern Regional Development Association Committee (Zone No. 1, Bonne Bay-Trout River);

"E"—Brief submitted by the International Grenfell Association;

"F"—Brief submitted by St. Anthony Town Council;

"G"—Brief submitted by a group of citizens from Cartwright, Labrador.

On Wednesday, July 8, 1970, both Sub-Committees "A" and "B" adjourned.

ATTEST.

Georges A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

July 7, 1970

SUMMARY OF VISIT TO FOGO ISLAND

Mr. Fred Earle met sub-Committee "A" of the Special Senate Committee on Poverty at the Gander Airport and acted as the guide for the Committee on its visit to Fogo Island. The first impression upon arriving at the Island is its isolation from Newfoundland proper. It is separated by a one and a half hour Ferry boat ride.

During the course of the visit to Fogo, it became obvious that the people of the Island had a strong desire not to resettle. This desire has manifested itself in the formation of a number of cooperative endeavours. It is difficult to assess whether this cooperation was the result of being pushed into a position where the Islanders had no other choice but to join together or to be part of the complete disintegration of the Island's economy.

Relative to other parts of Newfoundland, Fogo Island people seem to be further advanced in their organizations. This may be a result of their being pushed further than Newfoundland people. They are attempting to integrate their denominational scheme system which would not have been considered possible a couple of years ago. They are making an effort to enhance the tourist industry by building a camping site. They have in the person of Reverend Jespersen a dynamic cleric who has taken on the task of printing an Island newspaper called 'The Fogo Island Profile'. They have a fish cooperative and a small "long-liner" ship building firm. How successful both of these enterprises will be, remains to be seen. Long-liner construction is subsidized by the Federal Government and the subsidy appears to be used as a means of controlling the number of fishermen. Fogo Island submitted a proposal to build four long-liners—only two were approved.

The general impression received from the visit to Fogo is that the people want nothing more than the opportunity to work, whether it be fishing, farming or ship-building. They detest the "dole" and appear to have gone to great lengths to avoid a welfare culture. In

general, they have a great deal of pride in their Island and in their way of life. Their homes, though small, were well kept. They appear to be a very industrious people attempting to ensure the continuation of their Island way of life and have subverted some of their inherent independence to cooperate to ensure their culture survives.

They appear to be honest, sincere and very happy. They just want an opportunity to continue to live on Fogo Island.

July 8, 1970

SUMMARY OF VISIT TO COX'S COVE

Cox's Cove is an out port, 25 miles from Corner Brook, Newfoundland, which consists of about 800 people living in 150 families.

There are 80 lobster fishermen and about 30 drawing the old age security. They will do almost anything to make a living. They appear to go to the "mainland" to make some money and then come back to Cox's Cove. With respect to education, the high school graduates of Cox's Cove just walk the streets. There is nothing for them to do and they must leave. They lack opportunity.

With respect to their community organization which is relatively new, they said that they lack confidence in their own abilities until the McLeod family of Frontier College came to Cox's Cove and helped them organize their community development committee. The McLeod's have left and their organization still survives. They have had considerable difficulties getting satisfactory replies from the Newfoundland government. They mentioned writing a letter to Graham Snow of the Recreation Department on 1 March, 1970 and never received a reply. This was to solicit funds to improve their out-door hockey rink. They stated that Newfoundland returned \$1 million in recreational funds to the Federal Government because they did not use them.

"In Cox's Cove, it is a privilege to work".

One of the main points they brought out in discussion was that short-term assistance was

at such a low level that the condition of the family on short-term assistance, which can last up to many years, continues to deteriorate the longer they stay on short-term assistance. As a result, they revert to being culturally deprived. It was suggested that short-term assistance should be for a minimum period of time and then recipients change to long-term assistance so that the family was not completely destroyed.

Cox's Cove is a typical out port which is completely isolated. It has one telephone from which only collect calls can be made. They are 25 miles from a doctor or any other medical attention. Their only means of transportation is private or taxi cabs. In spite of all this, they do not wish to take part in resettlement programs because they like Cox's Cove and they are attempting, through their community organization, to improve their conditions.

July 8, 1970

SUMMARY OF VISIT TO PORT AU PORT-LOURDES AREA

A subcommittee consisting of Senator Edgar Fournier, Vice-Chairman of the Committee and Senator Eric Cook toured the Port au Port-Lourdes area by car.

At Cape St. George there were informal talks with local fishermen who were cleaning and salting fish which they had caught earlier in the morning. They also visited the home of a Mr. Benoit who is the president of the local improvement council where informal discussions were held with Mr. Benoit and other local inhabitants. Self help projects were seen and the need for additional facilities were established, in particular, a requirement for an adequate road to Cape St. George.

The members were impressed with the "aggressiveness to succeed"—a trait of the local inhabitants and their ability to organize a very worthwhile community council. To make a living in this area, the men have to fish and farm. A hardy lot of fine people who are enduring hardship to maintain themselves in their own homes in this part of Newfoundland. They wanted jobs—not hand-outs.

Corner Brook, Nfld.

Wednesday, July 8, 1970

SUMMARY OF EVIDENCE

On behalf of the Deer Lake and Environs Association, the main witness was Mr. Grant Hiscock.

He first explained the purpose of his Association, which is "to act as the voice of the rural people of Newfoundland". He further explained this by making a review of the brief which was presented to the Committee. To illustrate the situation prevailing in the Deer Lake area, the witness said that they had had no resident dentist for three years and that they had inadequate water and sewage facilities. The witness concluded that there was a real need for federal and provincial assistance.

With regard to employment, he said that the existing potential of natural resources was not fully used. He considered education as a prime factor to create the much needed incentive. He considers that incentive grant for industry is a must and should also apply to fishermen and farmers as well. He said that there was enough arable land, on the west coast of Newfoundland, to fill all their needs for fresh vegetables and other agricultural products.

Upon being questioned by members of the Committee, he described in more detail the lack of adequate dental services in Deer Lake. With regard to medical services, there was only one nurse for a population of approximately 10,000 inhabitants; he added that she was a part-time nurse at that.

The dropout rate in the area is of the order of 40 per cent and it has been that way for a long time. Dropouts occur mainly at the Grade 8 level, and one of the reasons for such an occurrence is the fact that a fee of \$5.00 a month has to be paid to carry on over the Grade 8 level.

He further described the working of their group: no fees are collected and all members are invited to take part in decision-making. All efforts are directed towards positively developing potential resources. As for the resettlement program "we are not involved in it", he said.

Port au Port Economic Development Association

Mr. Jim Campbell was the main speaker on behalf of this group. The brief which was presented to the Committee was read by the witness in its quasi-entirety.

Upon further questioning by members of the Committee, the following points were made:

(1) Parents are now pushing children towards more education. In many cases it is causing frustration as some children are not prepared to absorb the substance of a curriculum which is not geared to the problems of a small community; those who reach the diploma level may find that they can make little out of their knowledge, in the small community, in which they live.

(2) Retraining program: It is too restrictive as it is.

(3) Resettlement: It should be thrown out the window where it came in, in the first place.

(4) In short, the local resources should be placed in the hands of the people; more education, standardized adult education with much more personal attention. Sums devoted to education should be spent where they are most needed, that is, for the poor of the province and not so much, in universities, for a small privileged group, residing in St. John's.

In conclusion, being questioned for his views on guaranteed annual income or negative income tax, the witness said that he had given no thought to this matter.

Interfaith Social Action Committee

The Reverend W.J. Baker of the United Church was the main speaker for this group.

(1) After reviewing the brief presented to the Committee, he said that his group fully endorsed the principle of guaranteed annual income.

(2) With regard to education, more effort should be placed at the beginning rather than at the end. Pre-school training is a must for the poor.

(3) Although he admitted that defence was important, he thought that housing for the poor had more importance.

Professor Turner made a critical review of the local education system, especially at the

primary level. Vocational training and academic training should be better coordinated. Coordination was badly needed between the various levels of the Department of Education, the Department of Health and the various social services. Parents ought to be informed what education really is. Education planners should realize once and for all that education in an urban and in a rural area should not receive the same treatment.

Mr. Gilbert Higgins and Professor Turner both favoured preschool education in rural areas. The "head start" program should be expanded and adapted to local conditions.

It is wrong to send best students to vocational school as very often the academic curriculum is identical to that of those pursuing higher education. There are too many supervisors and too many levels in the administrative machinery of education. Many worthwhile suggestions become "ghosts" before they leave town.

Reverend Baker said that all efforts should be made to protect the dignity of the poor. To this end, a greater number of social workers, which are not presently available, would be required. More effort should be made towards positively organizing the poor to help themselves.

The Chairman said that, so far in Newfoundland, the Committee had seen many instances where the poor were taking in hand their own problems; what the Committee had seen so far was very encouraging. After reviewing some of the aspects of the present social security measures, the Chairman said that "a man is entitled to a job or maintenance annual income".

Dr. Noel Murphy, Mayor of the City of Corner Brook

In welcoming the Committee to Corner Brook, His Worship Mayor Murphy said that the Committee should stay from two to three weeks in Corner Brook rather than a few days. However, he expressed the gratitude of the people of Corner Brook to the Committee for their coming to the city. "We are very grateful", he said, "for the opportunity we have to state our case".

What is poverty and what are we looking for? Poverty, he said, takes different faces according to location. Poverty here is not the same as in Ontario. Newfoundlanders have come up the hard way. The income is low and

unemployment is high, but we still have the will to work. Although welfare may be required in many cases and for quite some time, all efforts should be directed towards work and productiveness. When there is so much to be done, every able body should be put to work. The poor may not be eligible for income tax, but he is however eligible for all other hidden taxes.

Reviewing the problems in Corner Brook, His Worship said that the cost of living in his city was the highest in Newfoundland. The main problems faced by the municipal government were housing, sewage, roads. The priorities, however, rest with the people. It is more important to have proper water and sewage facilities than paved roads.

In some cases welfare payments are higher than unemployment insurance. "When you get to this point", he said, "you should reassess the whole system". Such a situation tends to produce lack of interest in working.

Dr. Murphy further reviewed the local situation of poverty in his area. He stressed the fact that the poor, although not adequately educated, was proud and with minimum help had the will to work.

In conclusion, His Worship Mayor Murphy recommended that every effort should be made to provide job opportunities. As an example, with proper planning and help, Newfoundland should be self-sufficient in meat and vegetables. Fisheries could be greatly expanded.

His economic development program in Corner Brook has the objective of creating 100 new jobs a year. To this end it would be necessary to diversify the present industrial pattern. Because we have failed to create new jobs, our youth has to plan to go away to where jobs can be found.

Mr. Jack Marshall, M.P., welcomed the Committee to Corner Brook. He deplored inefficiency and procrastination in some quarters and he expressed the view that the Committee come up with appropriate recommendations in the nearest possible future.

Mr. Jim Walsh produced a private brief with worthwhile recommendations, some of which were:

(1) Upgrading centres were too far. The school should go to the people.

(2) Higher scales of pay for labourers. He favoured guaranteed annual income.

Mr. Gilbert Higgins as a Newfoundlander described the situation of the poor in Newfoundland as it exists today. He stressed the various factors of the personality of the Newfoundlander which may be different from that of other groups of Canadians.

In conclusion, the Chairman made a brief review of what the Committee had seen in Newfoundland so far. People in Newfoundland are more concerned for work than anything else. They value the quality of life more than its economic aspect: they want self respect and dignity. He then described the welfare system as it emerged in the Thirties. It grew and it grew and yet nobody is satisfied. An alternative has to be found and one that Canada can afford. We have the ability and the resources and I am sure that the "Canadian dream" can be realized. No doubt that our problems cannot be solved overnight, but with appropriate planning, our problems can be solved. One thing we know, the system is not working and poverty does damage, not only to the individual, but to humanity.

This is the problem we are confronted with and all our efforts are directed towards adequate solutions.

The meeting of the Committee was adjourned at 11.00 p.m.

VISIT TO NEWFOUNDLAND,
5 July to 9 July, 1970, inclusive

VISIT OF SUB-COMMITTEE
TO NORTHERN NEWFOUNDLAND
AND LABRADOR

7 July and 8 July

The sub-committee consisted of Senators Eudes, Hastings, McGrand and myself.

We were accompanied by Al Holman of the Committee staff and two reporters, Mr. Ron Crocker of the Evening Telegram, St. John's, Newfoundland, and Mr. David Allen of the Toronto Star.

We left St. John's on 7th July at 8:00 A.M. and deplaned at Deer lake at 9:30 A.M. where we rented a car and drove north along the west coast of the Northern Peninsula, a distance of 320 miles over a dirt road.

Our first stop was at Wiltondale where we interviewed Elliott Brake who had been unemployed since April when Bowaters dis-

continued woods operations at which he had been regularly employed. He had a family of five and was existing on \$43.00 per week Unemployment Insurance. His last job was casual work on highroads maintenance.

Our next stop was at Daniels Harbour where we interviewed Angus Bennett, merchant, Mrs. Bennett, who was formerly an English nurse, and their son, Trevor Bennett had helped with the organization of NARDA (Northern Agricultural Rural development Association) but was now in business for himself.

Mr. Bennett felt that welfare had helped to demoralize the people and to some extent had robbed them of incentive and of their spirit of independence.

We also talked with Augustus Hose, retired, living on his Old Age Pension, and Howard Perry and his grandson from nearby Bellburns. Howard Perry, a very intelligent fisherman, informed us that his earnings from all sources varied from \$3,000 to \$5,000 per year. His opinion was that most families in Daniels Harbour averaged \$3,000 per year or less. This would be mainly from the fisheries but would be supplemented by casual labour on highroads, woods operations, sawmills. The people would also supplement their earnings by growing a considerable portion of their vegetables and in some cases by cutting their fuel and killing game for food.

Our next stop was at Hawke Bay which is the headquarters of Norman McLeod and his wife, two teachers from the Frontier College.

Then we went on to Port aux Choix where we arrived around 2:00 p.m. There we met the McLeods who presented a brief, Appendix 1, and also showed us a videotape which depicted a discussion between some people of Hawkes Bay including some welfare cases and one woman, a Mrs. Helen Hayes, of that community, who described her difficulties with the welfare officer which developed out of a personality clash with him and resulted in some sort of discrimination that he showed towards her. This video tape drama provided a good illustration of the point brought out in the McLeod brief. The other point emphasized in the McLeod brief was the mobility of manpower. People must be mobile in order to take advantage of manpower programmes and this is a prerequisite which they cannot meet. The second point was the "boss" attitude of the civil servant rather than the attitude of a servant of the people.

We had lunch at Billard's Restaurant and there we saw three people who presented a brief, Appendix 2, on behalf of NARDA. They were Martin Lowe Jr. from Port Saunders, Ed Maynard from Port aux Choix and Wilfred Moulton from Hawkes Bay. These were three very intelligent men and their brief gave a very graphic description of their problems and possible solutions. Out of the discussion which followed their brief, it developed that in their opinion a man in this area with a family of five to live above the poverty line needs at least \$4,000 cash in addition to any supplemental income from growing his own vegetables and getting his own fish and game for food. Another point brought out in the McLeod brief was that a person acts on an authority. This Mrs. Hayes went to see the welfare officer on behalf of her sick son, but went only when she had received authority in the form of a letter from the nurse. This illustrated another point in their brief.

The discussion at Port aux Choix lasted longer than scheduled and we did not get away until 4:00 P.M. We arrived at St. Anthony about 7:00 P.M. and checked in at the Loon Motel, and then went on to St. Anthony, another ten miles or so, where we had dinner with Dr. Gordon Thomas and his wife and their son, Len. It was a very enjoyable lobster dinner.

At 8:30 dinner was over and we went to the hospital where we heard two briefs; one presented on behalf of the International Grenville Association by the doctor's son, Len Thomas, Appendix 3, and another presented on behalf of the Town Council of St. Anthony by a Mr. Shepherd who was supported by a Mr. Hall, another member of the Town Council, Appendix 4.

The brief from the International Grenville Association was supplemented by remarks from Dr. John Grey of the staff of Grenville hospital and also by Dr. Thomas himself. The briefs form part of the official record. After the presentation of the briefs, questions were asked by Senator McGran who made enquiries there (as he did wherever an opportunity offered) about the possibilities of development of timber lots or sawmills from the forest resources of the area. His own opinion from his own observation driving along the shoreline was that these resources were very meagre but he was told that there were excellent forest resources at Harbour Deep and most of the resources were on the east side of the mountain range. One important

point stressed over and over again in their brief was the deprivation of the people in this area through the lack of vocational training and the fact that the whole school programme was not geared to fit children for the kind of life they would have to lead. Children were not taught to cook or to make homes or to do any of the things they would have to do in their adult life, and the emphasis was wrongly placed in their opinion on academic training leading to university degrees, with the result that of 250 Grade 11 students there were only eight who really actually went on and completed university education. The others all became dropouts somewhere along the line.

I questioned Dr. Thomas about handicrafts which he said mainly consisted of ivory sculptures but now they are also concentrating on garments. This kind of activity was a very important supplement to the income of the area. They produced about \$100,000 worth last year and could sell much more but their trouble was not in their finding markets but in actual production. When asked why there was such a problem in production when the unemployed in the area was around twenty-five per cent, he replied that it was difficult to get people interested. There was a lack of interest in this kind of work and the other problem was that their standards were very high and they could not accept a low standard of production.

Both the witnesses who presented the International Grenville Association brief and the Town Council brief agreed that there were great possibilities in the fishery but they needed long liners and possibly draggers to compete with the foreign draggers fishing offshore in this area.

Dr. Grey in his remarks stressed that there was twenty-five per cent unemployed and in winter unemployment probably reached fifty per cent. Another question which I directed to Dr. Grey who had spent a great deal of time in southern Labrador was in connection with the problem of Snug Harbour where there were only four families of about ten adults and possibly a dozen children and who were living a life of independence. They were keeping off relief which they could not do if they moved to a place called Charlottetown where they were being encouraged to re-settle, but there was the problem of the children being brought up with only three months of school. I asked Dr. Grey and Dr. Thomas how that problem could be solved. Their reply was

that the people should be forced to move or at least the children should be taken from the parents and educated. It was admitted that the adults in this community would not be able to integrate into another community but they felt that the parents had no right to impose this kind of handicap on their children and that the state should step in and do something about it. The meeting at St. Anthony ended at 10:30 P.M. and we then went back to the motel which was another half-hour drive. Tomorrow we fly to Labrador in one of the I.G.A. (International Grenville Association) seaplanes leaving around eight o'clock.

Wednesday, 9th July, 1970

Up at six o'clock, airborne at eight o'clock and arrived at Cape Charles at 8:45 A.M. There we met with Cecil Pye and Arthur Pye who was retired. Cecil Pye was a fisherman. We also met the Reverend Lewis, the Anglican clergyman who was there to conduct a funeral. We had a short conversation with Mr. Cecil Pye and others there and we learned that there were no codfish, and salmon also were very scarce although the price was good, from sixty-five to eighty cents a pound. Normally by this time in the season a man would have landed about one hundred quintals of fish but this year they had only caught about twelve quintals of fish. The people from this community spend their winter at Lodge Bay.

We left Cape Charles at 9:05 A.M. and then went on to Marys Harbour which is a place where the people from several communities have their winter home. One of their great needs is a six mile road to link Marys Harbour and Lodge Bay. Another thirty miles would link Marys Harbour with Port Hope Simpson where winter jobs are possible.

We arrived at Marys Harbour at 9:30 a.m. This is a centre for church, school, the I.G.A. (International Grenville Association) nursing station and for the welfare officer. We were met by Mr. Hughlett Acreman, who is the foreman of the Grenville establishment there, and also by Nurse Harris and her mother. Marys Harbour has about sixty families and about fifty of these move out to the coastal communities to catch fish in the summer. These fishermen clear about two to three thousand dollars per year in a normal voyage, but the last good year was three years ago. This is the third bad year.

Leaving Marys Harbour at 10:30, we arrived at Square Island where we met Ben Powell, his wife and his daughter Marie and his son Louis, age twenty-six. We also met a fisherman, Mr. Clarke. It is twelve miles from Square Island to a place called Charlottetown which is a winter community. The people could fish as well from Charlottetown as they could from Square Island. Mrs. Powell felt that it would be better if the people of Square Island moved to Charlottetown, in which case they would have to maintain only one home. Under present circumstances they maintain two homes, one a winter home and the other a summer home from which they fish, and both are substantially built houses.

We left Square Island at 11:00 and at 11:30 we arrived at Black Ticks. We spent about fifteen to twenty minutes there trying to get ashore but there was a good stiff breeze blowing in the harbour and there was no sheltered place in the harbour where the plane could land so we took off again without getting ashore.

We arrived at Cartwright at 12:15. Cartwright is 150 miles north of Cape Charles and is a community of about 800 people with an I.G.A. (International Grenville Association) hospital. It is the largest community in Labrador apart from Happy Valley. When we got ashore at the Grenville mission we were met by Dr. Anthony Paddon who had arrived there from North West River where he is in charge of another I.G.A. (International Grenville Association) hospital. We were also met by Chesley Lethbridge, who is the forest ranger from the Department of Agriculture and National Resources, and by Mr. W. Moores who is the representative of the Department of Labrador Affairs. We also met Mr. Frank Kelly who is the president of the Coast of Labrador Regional Development Association and the Reverend Mr. Waye of the Anglican Church. We had lunch at Cartwright and immediately after a brief was submitted on behalf of the community of Cartwright by a number of people including the Reverend Mr. Waye, the Anglican minister, Appendix 5. A summary of the brief was given by Tony Williamson who with his wife is living at Cartwright as a representative of the Extension Department of Memorial University. The main points stressed in their brief was that poverty is not rooted in lack of resources but rather in the lack of utilization of the resources. The resources were not utilized because of lack of training, lack of modern methods and lack of investment capi-

tal. There is no processing plant on the coast and therefore no control of processing or marketing of fish. The main problems here are the same as everywhere we went—education, transportation, communications and particularly the need for air strips.

We left Cartwright at 2:20 P.M. and arrived back in St. Anthony at 4:00 P.M. Eastern Provincial Airways kindly delayed the departure of their plane so that we could make connections with it and we arrived back in Gander a little before 6:00 P.M. where we spent the night. We left Gander at 8:50 Thursday by E.P.A. and at Stephenville we were joined by the other sub-committee returning to mainland Canada.

Summary

All of the briefs as well as the interviews held with various individuals in all the communities visited stressed the following points:

1. The people do not want more welfare they want jobs.

2. They also want to preserve their personal pride and dignity and to live their own lives in their own way which for them has its own compensations and satisfactions for which they are quite willing to forego many of the amenities associated with the more affluent life of urban communities.

3. They do, however, want certain basic services such as education, roads, air strips and communication with the outside world through radio and TV.

4. The poverty in this region is mainly the result of isolation, the wrong emphasis on education (i.e., academic rather than practical and vocational), and lack of investment capital.

5. Local resources can provide many more jobs and a much higher standard of living. What is needed is investment capital and modern methods and facilities for developing their natural resources. It is evident that this is an area in which the Department of Regional Economic Expansion should be more active. The opportunities for DREE are numerous.

6. Also needed is more consultation of local groups by government authorities and more opportunities for local people to contribute towards the solution of their own problems.

7. This is now becoming much easier to achieve because of the organization of community and regional development associations who are determined to have a say in the solution of their problems.

8. Organization of Fishermen's Unions and Cooperatives will also help and should be encouraged.

9. One common complaint was the lack of information from official sources and the inability after numerous attempts to

get vital information from government authorities and their representatives.

10. There was also a common complaint that government representatives (civil servants) including welfare officers too often adopted the attitudes of "Commissioners" rather than servants of the people.

Respectfully submitted,

C. W. Carter

APPENDIX "A"

Brief to the Senate Committee on Poverty
submitted on behalf of the Inter-Faith
Social Action Committee

The Inter-Faith Social Action Committee was established as an informal group in 1966 for the particular purpose of organizing an institute on "the Church and Industry". The institute was successful and the organizing committee received such a warm response from the community that it has continued in existence as an informal, loosely-knit body.

The nucleus is a group made up of clergy and laymen appointed by the various religious denominations in the City of Corner Brook. When the Committee decides to carry out a project it enlarges itself for that particular project by inviting people possessing the knowledge, experience or skill requisite to that project. On the completion of the project these additional members may be released from their association with the Committee. The Committee has co-sponsored a labor-management conference, an institute on health services in West Newfoundland and other projects. It was instrumental in the incorporation of The West Coast Inter-faith Social Welfare Council which is about to call for tenders for the construction of a senior citizens' home. That home will be operated jointly by five religious denominations.

This preamble is given simply to indicate the background of interest and concern against which this brief is submitted. While the Committee does not speak for any one religious denomination it feels that it can bring together some of the concerns which its members share in their overall concern for a segment of the community which even when it is vocal is not always articulate.

The Poor

The United Nations Universal Declaration of Human Rights declares in Article 25:

'Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his control.'

The Fifth Annual review of the Economic Council of Canada defines poverty as follows:

'In developed industrial societies the problem of poverty is increasingly viewed, not as sheer lack of essentials to sustain life, but as insufficient access to certain goods, services and conditions of life which are available to everyone else, and have come to be accepted as basic to a decent minimum standard of living.'

We fully realize that poverty can be a relative thing, in that what we class as poverty is high class living in some countries, yet, having said that, we are experiencing far too much poverty in this particular area considering the resources and potential available.

True, most of our poor are not productive members of society, the aged, illiterate, youth and handicapped, but we do not have the resources to care for them. We need greater distribution if they are to live meaningfully.

In Canada during the past two decades the poorest one-fifth has received 5 or 6 per cent of the national income, the highest one-fifth has received some forty percent. This means that the poor, and we are thinking mainly of the marginal income group or the "working poor", are not being compensated for their efforts and not being given jobs to do. This is an almost universal problem but that fact does not ease the pain. The low income man gets work, cannot survive, so he comes to society saying "I have done what you told me to do, I am working at a job to suit my skill, now what am I worth?" and society answers, "Not much, not even enough to support yourself and your dependents".

So the man who cannot find a job, or the man who finds one but is still unable to support himself and his family, is being told in clear and simple language, and loud enough for his wife and children and friends and neighbours and everyone else to hear, that he is not needed, that there is no place for him.

Newfoundland has abundance of such persons who are counted less than persons because of their misfortune. We have them in our city who are too poor to qualify for Public Housing because they want to remain independent of welfare allowances. A man earning \$2,400 under Minimum wages is set alongside a Welfare recipient next door who, with his family and the value of rent, fuel, light, family allowance receives a money

value of close to \$4,500.00, that man needs a champion. That man needs consideration in Government planning, especially under the Canada Assistance Plan. He needs planning that is not done in a panic situation, as too much of the D.R.E.E. program was done.

Local situations need to be researched. We have a University that can handle this well. Municipalities may have to be pushed to set up "land banks", industries must be encouraged to come to the area, smaller industries must be subsidized, special training must be given to potential workers while industries are being established. Jobs thus created must be for people already here. This will mean less problems in housing, schools and services. We need income not merely for the experts who move in, but industrialization must provide at least a reasonable guarantee that needy residents will have a long-time source of employment.

In the matter of research, we must have more consultation on the local level concerning new programs, existing organizations must be encouraged to study their own problems in their area by local study groups and Improvement Committees which themselves may have to be subsidized. No program can be meaningful if it is not local and set up in accordance with studied needs and potential in mind.

Education

Newfoundland claims to have at present free and compulsory education, but this does not guarantee education of all children. Under our present inadequate system the children of the poor are severely injured. University education, heavily subsidized, is weighted greatly in favour of the affluent. Elementary education, the least subsidized of all, is not so geared that the poor are equipped to move on to graduation and enter university.

For too many children of poorer homes Grade VIII is a "dead end". We need more stress on education at the beginning, rather than heavy subsidization for those who survive to the end of high school. Scholarships are for those who can get them, not for the handicapped poor.

Too many poorer children do not have adequate words at ages 3, 4 and 5. Such children have not had the opportunity or encouragement or individual attention of educated parents to assist them to pick up the basic skills

of communication and understanding of language that are a prerequisite for success in Kindergarten and Grade 1 where many have to start. After several failures and perhaps several years wearing second-hand clothing, the child wants to escape from the imprisonment of the school.

We would like to see both Governments plan for greater emphasis on pre-school training for children of disadvantaged families, so that they may have a meaningful chance to develop the abilities with which they were born.

Housing

Housing must be an important part of an anti-poverty program for Canada. Last year public housing constituted 1 per cent of all housing starts. The Government spent 60 cents per capita on subsidized housing, \$5.73 on railways, \$6.20 on dairy farming and \$86.22 on defence. Surely we can get our priorities straighter than this. "Canada is wealthy enough to have all her citizens enjoy decent housing in the next ten years," so said Michael Audain, Consultant on Housing, Canadian Welfare Council at the recent Conference on Social Welfare. If this is so, a comprehensive program must soon begin.

In Corner Brook, according to statistics given us today, there are presently 249 applications filed for housing with the local Corporation. Of these, 47 are Welfare recipients, the balance of 202 are between \$3,000.00 and \$4,000.00 income level. The problem here is mainly overcrowding. Newfoundland, according to latest statistics available had 10.7 per cent overcrowding as against the Canadian average of 2.9 for metropolitan areas, and 11.5 as against national average of 8.2 for rural areas.

The local case-worker reported on three recent cases investigated in this city:

1. Thirteen children plus two parents sleeping as follows, five each in two bedrooms, three in the living room, two in a dining room, no water or sewerage facilities.

2. Ten children, two parents, two bedrooms.

3. Basement apartment housing two children, two parents, one bedroom, sewer leaking, landlord not willing to do any repairs, house condemned by the city, only ventilation is the kitchen window.

The poor are in the worst housing. The C.M.H.C. Brief to your Committee stated that in 1965, 97 per cent of N.H.A. loans went to income groups representing 60 per cent of Canadians, and that today many housing markets in Canada are available only to the upper one-third of the population. We support the Corporation's recommendations that:

1. That Public Housing units be dispersed in smaller groups.
2. Preservation and rehabilitation of neighbours.
3. Involvement of citizens in community design processed.
4. Housing allowance programs to assist lower income families.

We observe also that the most highly subsidized groups in our society are the middle and upper classes; they have the universities, recreation services and housing benefits, e.g. lower interest rates. There has to be provision made for the underprivileged to enjoy decent housing.

We recommend lower interest rates for poorer landlords to improve and renovate. Most older neighbourhoods can continue to provide good homes at modest rents.

We must find ways to encourage people to help themselves, by providing seed funds for Tenants' Associations and city Housing Councils etc. to take in all groups concerned with housing.

Government should set out to provide land at nominal cost to low income families who wish to build, often the site is the great obstacle financially.

Encourage shell housing with subsidized land costs, this with guaranteed annual income would foster initiative and pride of ownership on the part of those encouraged to build modest and practical homes.

What Can the Churches Do?

The people we are talking about are our people as well as the state's people. They need help, encouragement and guidance to enable them to help themselves.

We would say that the churches can help by assisting the poor in organizing themselves to look at their problems where they are. Recreational facilities are needed in most neighbourhoods. We can assist in organizing with the city or municipality in helping provide these facilities.

Assistance can be given in organizing Tenants' Protective Associations, organizing Penny Savers' Clubs where these people can even start their own co-operative with a little "seed money." We can organize Meals on Wheels for older citizens who have lost the interest or ability to cook nourishing meals.

We can organize local citizen volunteers for pre-nursery class assistants, for operating Day Care centres with assistance from government so that working mothers may be free to work.

We agree that wherever possible we comply with the recommendation of the Canadian Council of Churches that Churches make available a national fund (or funds) for organization of people's committees in a wide range of problems at the local level. These Committees should operate autonomously as to policy. The Churches should provide staff or money to hire staff, and help finance them on an ecumenical basis.

When we see that the Government of Canada is willing to accept their responsibility in alleviating poverty we will seek as well to do our part. We will need to educate our own people as to what poverty means and why it should receive attention, but nothing is really impossible. The poor are restless, we must see that when they awakened to a realization of their rights someone will be there with enough interest to guide them aright.

APPENDIX "B"

Report to the
Senate Committee on Poverty

July 8, 1970
from the
Newfoundland and Labrador
Rural Development Council

The organization known as "The Newfoundland and Labrador Rural Development Council" was organized in 1969.

Our purposes and powers are:

1. To act as a voice of rural people throughout Newfoundland and Labrador on matters of provincial and national concern, on a non partisan basis.
2. To exchange information and ideas on a regular basis between regional development associations and from rural development agencies elsewhere.
3. To stimulate improvements in all aspects of rural life in the Province by co-ordinating ideas and preparing plans for presentation to appropriate bodies.
4. To represent the Province on national organizations created for rural improvement.
5. To encourage the development of rural youth organizations.

Membership on the Council is open to elected representatives of regional organizations and our present membership total of seventeen is comprised of organizations throughout the Province.

A brief already in your hands from the Humber Valley Development Association deals with our concept of Poverty as applica-

ble to our Province. It defines Poverty as being:

1. A need for all services presently lacking in our Province:—medical, dental, public health, and social.
2. Poverty caused by unemployment due to seasonal jobs or early retirement.
3. Indigence and the unfortunate lack of care being provided for those unable to provide for themselves.

Their brief like many others that are in your hands offers proposals and solutions to all three, but no doubt these and other solutions have been presented before to you and others before you. In return the Federal Governments have over the past ten years initiated several different policy approaches to rural poverty such as ours but, like death and taxes, rural poverty is still with us.

To quote from the brief submitted to you by the Canadian Council on rural development:

It is submitted here that the "people-oriented" participatory approach to rural development proposed by the Canadian Council on Rural Development should be adopted not only because it is right, but because it is more likely to work, more likely to prove economical than the approaches that have thus far been tried and found wanting.

Development programmes must be tailored to fit real contemporary human needs. Those include the needs for clean air and clean water, the need for a sense of dignity and worth, the need for a sense of participation.

For any development programme to ignore these needs is to court failure and failure is a luxury the poor cannot afford.

APPENDIX "C"

Submission to
THE SPECIAL SENATE
COMMITTEE ON POVERTY

by

Frontier College Field Workers, Hawkes Bay, Port-au-Choix, Nfld., July 7, 1970

1. Norman and Fay McLeod, Frontier College field workers, have been engaged in adult and community development and education in west Newfoundland for the last year and a half. They spent a year in Cox's Cove, on the north coast of Bay of Islands, and they have been in Hawkes Bay for about eight months; in both cases, under contracts between the Frontier College and the provincial departments of Education, and Community and Social Development. Brief sketches of their activities in these two communities, and biographical information, can be found in the Appendix to this submission.

2. Our brief must necessarily be presented from the perspective of outsiders to this area: we are not ourselves poor, nor are we Newfoundlanders. On the other hand, we cannot produce masses of statistics and objective studies on poverty in west Newfoundland. Our observations are based primarily on our personal experiences while living and working with our neighbours in two communities.

3. We don't know an awful lot about poverty, how to define it, how it is caused, how it can be eradicated. We've both tried "studying" it, and found that the more we knew, the more we didn't know. We do, however, know a fair number of poor people. In fact, most of the people we know in both Cox's Cove and Hawkes Bay, are poor: that is, there are a lot of things they need, and a lot more things they want, that they don't have and can't get.

4. Now, it doesn't take a lot of hair-splitting about definitions of poverty to identify the west coast of Newfoundland as a poverty-stricken area: pretty well any definition will do. And to say this is an impoverished area is to say that to some extent, everyone who lives here is poor. If you live in Hawkes Bay, for example, no matter how much money you have, you still live 155 miles from the nearest hospital and 180 miles from the nearest decent school. But there are some people around here who can afford regular visits to a family doctor in Corner Brook, and can send their children somewhere else to board with relatives if they don't like what goes on

in the schools here. These are not the people we mean when we talk about poor people. Most people in this area don't have that kind of choice. They are poor.¹

5. You have probably heard the argument that rural Newfoundlanders can live off the land, and so poverty here isn't so bad as it is in, say, downtown Toronto. It is true that it is cheaper, in dollars and cents, and perhaps easier on the psyche, to be poor in Newfoundland than that it is to be poor in Ontario. That is why most of the people who left Cox's Cove for a stab at "making it" in Toronto or Kitchener, including about a dozen families we interviewed in those cities a year ago, are now back in Cox's Cove. When they found that their strong backs and unskilled hands did not command a very high price, they decided they'd rather be poor in Cox's Cove than be poor in urban Ontario.

6. But it is not cheap to live in Newfoundland above the subsistence level. A man can subsist, a family can live, on a diet of fish and potatoes, for a very small outlay of cash. But the day that fruit juice and fresh vegetables become considered necessities instead of luxuries, it becomes, in fact, at least as expensive to live in Newfoundland as to live in Toronto. And if Jack ever gets a permanent job, he will no longer have time to augment the family diet with rabbit, moose meat, or fish that he jigged himself.² If you're resigned to a state of poverty, and expect to stay that way, then being poor in rural Newfoundland is probably not too bad, compared to some other places. But if you don't like being poor, if you

¹ On Map No. 6, in the A.R.D.A. series, "Economic and Social Disadvantages in Canada" (Project # 14021, 1964), areas coloured red indicate areas where over 50% of non-farm families outside centres of 10,000 or more—that is, rural non-farming families—have incomes under \$3,000 per year from all sources, including the earnings of their children. From the south shore of Bay of Islands to St. Anthony, the west coast of Newfoundland is solid red.

² Some examples of prices, from our own experience: milk, on the Northern Peninsula, 50¢ a quart; eggs, 85¢ a dozen; bread, 40¢ a loaf. Poor people don't buy milk, and don't use many eggs, and they make their own bread. Heat for the home is another major cost. We've lived in fairly typical housing, and it costs us an average of \$40 a month, 9 months of the year, to heat an entire house. Poor people can't afford to seal or insulate their homes well when they build them; and if the can't afford to heat the whole house, they heat only the kitchen.

want a better life for yourself, then it's a different picture: Newfoundland is not such a good place to be. Most of the people we know don't like being poor.

7. We could go on to tell you what it is that poor people don't like about being poor; but there are poor people on this coast who can tell you how they feel much better than we can. We won't presume to speak for them. Rather, we shall focus our own brief on the concerns of our work: education, employment, and the community.

8. The poor people we know want to work. This is not just something they say because they know it's expected of them: they prove it every time there's a menial job within thirty miles of them. When Lundrigan's Limited began construction of the new bridge and the mill in Hawkes Bay, there was a great outcry in the settlement because outsiders were being hired and local men passed over. These people were screaming for jobs that paid \$1.30 an hour.

9. They don't do much better at permanent employment. Wages in the sawmill and planer in Hawkes Bay range around \$1.60 an hour. In the fish plant at Port-au-Choix, the men get \$1.45, the women get \$1.10. In both the sawmill and the fish plant, workers are trying to form unions. In the sawmill, I know for a fact that there is just one worker opposed to a union. But it's going to take a long time, and it will be a hard battle. Labour laws are especially hard on the unorganized who want to organize. Poor people have a tough time getting into unions.

10. The fishermen and the loggers do a bit better than the workers in the mill and the plant, when they're working. But fishing and logging are seasonal work. These men live half the year on unemployment insurance benefits. Unemployment insurance benefits constitute a subsistence income. That is, a poverty income.

11. What of the man who tries to change his situation? "If only I had a trade," say so many of our friends. Or, "Maybe I could do better on the mainland" (meaning, usually, Toronto). Canada Manpower has programs for retraining, upgrading, and mobility. But most people we know don't qualify for these programs. To get into the adult centre at Stephenville, you pretty well have to start from a grade seven level of basic academic skills. Not many poor people we know on this coast are functioning at that level of formal liter-

acy.³ To qualify for a resettlement grant, you pretty well have to have a trade. The poor people we know don't have trades.

12. There are a few adults who do qualify for the Manpower programs. Five men from Hawkes Bay went to Stephenville this past winter, and two of them now have grade ten certificates. Both of these men are now working at exactly the same jobs they would have, on the mill, if they had never gone to Stephenville. Both had good employment records, as employment records go in this area, before going to Stephenville. Oh, yes, they were unemployed when they went to Stephenville in February: who wasn't, in Hawkes Bay? And the chances are that both of them will go back to school in the fall, and get some sort of trade; but the point is that the step for these men, from relative job security to full job security, is not a great one. It is not oversimplifying very much to say that those who are eligible for retraining grants, don't need it very badly; and those who need it most, aren't eligible.⁴ Vocational and "basic skill" retraining, as they are presently administered, may have a major impact in the cities—I don't know; but in rural Newfoundland, they are largely irrelevant.

12a. To most of our friends, the Manpower office in Corner Brook is simply a place where you go in the normal process of job-hunting, assuring that you qualify for unem-

³ On Map No. 8, in the A.R.D.A. series mentioned above (see footnote # 1), areas coloured red indicate areas where over 20% of all men and women over 15 years of age and out of school, have attained less than a grade 4 education. Most of Newfoundland, including the entire northwest coast, is coloured solid red. Most of these are primary illiterates. Unfortunately, we have no statistics handy to show what percentage of the adult population has attained less than a grade 8 education in the same area. Our own estimate for the Northern Peninsula is about 75%.

⁴ The Deputy Minister of the Department of Regional Economic Expansion, Tom Kent, in his brief to your committee, November 27, 1969 (para. 37), made a similar point, when he said:

"The hard fact of experience is that, unless a very special effort is made, the people who most need the help are the people who get left out. Even the best of government programs tend to work for the people who are at least already on the margin of the economy, rather than the people below the margin. It is peculiarly difficult for government policies to reach the people who are right outside the mainstream, who feel hopelessly trapped in conditions of poverty."

We dispute, however, that it is a "very special effort" (as if to say, above and beyond the call of duty) which is required. What is required is a re-examination of priorities.

ployment insurance, and sometimes, applying to go to Churchill Falls. When they get there, they are shown into a special separate room for unskilled labourers. Employees at the centre have told us that this is because unskilled labourers tend to dress poorly, shave infrequently, smell offensive, and stare at the girls' legs, thus making the counsellors and some of the higher-class applicants uncomfortable.

13. When our project in Hawkes Bay was first conceived, the provincial Department of Community and Social Development and the Northern Regional Development Association intended to persuade Canada Manpower to support our basic skills program. Preliminary applications were invited to see how much demand there would be for a centre on this coast; and over 300 applications came in from the surrounding area. Canada Manpower took copies of these applications, interviewed a number of the applicants, accepted a few into Stephenville, and rejected the vast majority as ineligible for grants, primarily because few of them had attained a grade seven level of formal education. Hence classes opened for adults last fall, with the co-operation of the provincial Department of Education, on a voluntary, night school basis.

14. We started out with over thirty students in academic upgrading classes from grades one to ten. We ended the regular school year in May with ten, four of whom received Department of Education certificates in grades eight, nine and ten. That's not a very impressive record, statistically: no better than the average night school program, of which there are a number in the province, administered and taught by day school teachers. Yet we had more time and resources for our students, more adult-oriented materials, and, quite likely, a better program than most night school teachers in Newfoundland. We lost a lot of students, through no special fault of ours, and certainly no fault of theirs. Involved as we are in the whole community, we know our dropouts just as well as we know those who stayed in classes; and we know that every one of them had good reason for dropping out. To put it in a nutshell, they had to feed their families. If a job comes up, they have to take it, even if it means working into the night. If there are no jobs, they still have to supplement their incomes with game and fish, and put in labour on their homes. And they have worries: their minds are very busy with surviving from day to day. Volun-

tary night school classes, no matter how well administered they are, are never going to have much impact on the employability of the poor.

15. Yet even if they could go to Stephenville on living allowances, and start a basic level of academic skills, not many would go. Even of those who qualify already, only about half of those accepted at Stephenville last fall, went. The centralization of these facilities, designed to train people into social and geographic mobility, actually presupposes the mobility of the person who attends. Financially, socially, and above all, psychologically, the undereducated poor are far from mobile. It is hard for them to pick up and move to a major centre 250 miles away from home, in search of a goal too far distant to have much meaning to them. They need to be trained into social and geographic mobility, close to home, at this basic level; and they need living allowances to do it. There is a crying need for a subsidized, decentralized program of adult basic education in Newfoundland.

16. The poor people we know are not apathetic, nor are they lacking in motivation, nor do they have values alien to you and me. They are unhappy, they are under a great deal of strain, and they are very realistic. It is because they are realistic that they devote most of their attention to making the most of what they have, and do not dare to dream that they can leave poverty permanently behind them. If they have realistic hopes, they are for better wages at their next job, union wages if at all possible, and a few community amenities, such as sewerage, better roads, and some recreation facilities. You have undoubtedly heard of a "culture of poverty". There is no culture of poverty here, for that would imply a specifically impoverished way of life valued by those who live it. The poor people we know have a way of life, much of which they value highly; but it is the things they value which are not now part of their way of life, which makes them poor. They are realistic: they have learned the hard way just how little power they have to change their situation, and they have learned to live with that fact. That is the real meaning of the "culture of poverty". The man who tries to change his situation soon learns it's not much use.

17. Collectively, the experience is similar. Economically, both of the communities we have lived in on this coast have been boom-and-bust communities. Cox's Cove has had boom and bust in the herring fishery, and

marginal employment and bust in the logging industry; Hawkes Bay has seen boom and bust in the logging industry ever since it was established in 1946. Twice, the logging operations have pulled out, apparently at the whim of someone unknown in a company's head offices, leaving the whole community unemployed. These have been rather vivid lessons in powerlessness, and they have left the men of Hawkes Bay, if not permanently defeated and defeatist, at least very cynical. Few men we have talked to in Hawkes Bay expect the mill here to last more than five years.

18. Having experienced powerlessness as a community, people may try organizing in hopes of doing something about their common problems together. Too often, they meet defeat here, for they are up against forces much stronger than a single community can cope with, and if these forces are lined up against them, they are no further ahead than they were when they were not organized. When the Cox's Cove - McIvers Improvement Committee was formed, it set out to find government assistance for facilities which would make it possible to re-establish a viable fishery in their communities. The committee met with a peculiar attitude among most civil servants in the various departments they contacted: in order to get government assistance to establish a viable fishery in their communities, they would have to prove that there was a viable fishery in their communities already. The federal Department of Fisheries had statistics which showed very little activity in the fishery in Cox's Cove and McIvers; therefore, how could a civil servant justify spending public funds to establish facilities there?

19 Few of the civil servants encountered regularly by individuals and groups we know in Cox's Cove and Hawkes Bay are characterized by excessive sympathy for, understanding of, or trust in the public, in particular the poor. It is not only welfare officers and social workers, but employees in all government departments, who need new structures, new definitions of their responsibilities, to define them clearly as the servants, and not the masters, of the public.

20. On the whole, government planning and policy, especially those policies which most directly affect the lives and livelihoods of poor people, are drawn up and decided in isolation from the wishes, and the local knowledge, of the people. This can be brought home very forcefully to the organized poor,

confirming in harsh reality what they had always known indirectly before they became organized. I draw again from the experiences of the Cox's Cove-McIvers Improvement Committee, around the time we were taking our leave of that community. Through strong political pressure on their provincial Member, Premier Smallwood the Committee had extracted the promise of repairs to the breakwater in Cox's Cove. Engineers from the Department of Highways were sent down to confer with the Committee about where the repairs were most needed and what sorts of materials would best be suited. They took note of the ideas of the local people returned to their head offices and came back with their own plans, which completely ignored not only the requests of the committee but also the valuable local knowledge they had been given about the cheapest and best sources of materials. Whether it was intended that way or not the people of Cox's Cove got the message from department officials. "We're going to do our damndest to ignore you."

21. I suppose we are not the only people involved in community development who occasionally feel a little hollow about our message to the people, "You can do something about it yourself." Poor people are more realistic than we: they know that it's not much use.

22. So far, we have spoken mainly about the "working poor". That is because most of the poor people we know, want to work, and do work then they can. Nearly all of them have been on short-term, "able-bodied relief", or on special supplements to augment unemployment insurance, at one time or another. But some of our friends are on long-term assistance, assistance for those who cannot work. If you've got a big enough family, and if you live in the right part of Newfoundland, long term assistance can be a better income than either able-bodied relief or seasonal work. In Cox's Cove, the working families resent the families on long-term assistance; in Hawkes Bay, they feel sorry for them. For one thing, families tend to be larger in Cox's Cove than they are here, and welfare gives you more money for each child you have. For another thing, Cox's Cove is only 26 miles away from the regional offices of the Department of Welfare. The better welfare officers are there, and there are more of them; so you can see several different workers, and it's fairly easy to take your case to the top. In Hawkes Bay, people go to one welfare officer in Port Saunders, and he has

an awful lot of discretion, once he's filled the bare minimum letter of the law. Your fortunes depend on the personality of the welfare officer—whether he's a good guy or a bad guy, and if he's a bad guy, whether you're in his favour or not. Either way, you soon learn that you don't have much to do with your own fate.

23. We have not said much in our brief about the proposals of the Department of Regional Economic Expansion, and in particular, their plans for Hawkes Bay, Port Saunders and Port-au-Choix. That is because our brief is based primarily on our personal contacts with poor people; and to the people of this area, outside a small elite, DREE is little more than a vague rumour that the gods are about to smile on them. To us, it is evident that the working poor are soon going to experience an improvement in job security; that the jobs that will be appearing on the immediate horizon, in the fish plant, the saw-mill, the canning factory, and possibly in other plants, are not going to require massive efforts of manpower retraining—they are, at most, semi-skilled jobs; and that there will be improvements in services and facilities, such as roads, water and sewerage, and perhaps even television. With relative affluence will come a new kind of poverty: for the people now on permanent assistance will soon find themselves more readily distinguished from, and isolated from, the working men; and we know several families who already exhibit all the classic characteristics ("Low verbal facility"; "lack of goal orientation", etc.) of what become, in industrialized communities, "hard-core welfare cases". Since these changes will descend on our friends as the outcome of forces well beyond their control, it is also evident that the changes produced by economic development here will have little effect on the most basic cause and condition of poverty: social impotence.

APPENDIX:

Background of the field workers
The Frontier College field workers in Hawkes Bay are:

Norman McLeod, 26, B.A. (Queen's) M.A. (Toronto) previous experience with Frontier College as a labourer-teacher in Alberta in 1965 on a C.P.R. rail gang and in 1967, northwestern Ontario, in a large construction camp.

Fay McLeod, 26, B.A. (Alberta), M.S.W. (Toronto), with two years' experience as a caseworker for the Alberta Department of Public Welfare (Child Welfare Division), and field experience as a student in Toronto, at the Bayview Geriatrics Centre and the Family Service Agency.

The McLeods were married in April, 1968. In October, 1968, they commenced working as a husband-wife team for the Frontier College, on a community project in Cox's Cove, Nfld., under a contract between Frontier College and the provincial departments of Education, and Community and Social Development. They remained in Cox's Cove until October, 1969, and in November, began work in Hawkes Bay.

Their programs in both communities have been very broadly based, attempting to reach into every aspect of community life, through various techniques, informally conceived, employing aspects of community development, adult education and social work. Activities in Cox's Cove included sewing and knitting classes for women and children; dissemination of information on birth control; study groups for men on community problems; establishment of a library in the community; basic education classes; assistance in organization, and a degree of social animation, leading to the formation of a development committee and the organization of local government; and even, in a very informal manner, a certain amount of individual counselling.

Hawkes Bay is, of course, a different community, and the program here has evolved somewhat differently. There was a heavy initial emphasis on adult basic education, and formal education for adults in general: it was a specific request for this service which brought the Frontier College into Hawkes Bay. The program of classes included English, mathematics and science from grades 1 to 10; typing; and sewing, all of which took up five nights a week throughout the winter. During the winter, the McLeods sought also to become involved with the total community, through work with youth groups; assisting a group of women to organize a play to raise funds for a community playground; and some work with community leadership around local problems and issues. In the spring, while classes were still in full swing, the field work-

ers began broadening their contacts in the community through social animation techniques; and as classes have necessarily slowed down to a lighter schedule for the summer, study groups among the men and organizational work among the women have begun, seeking to increase the involvement of citizens in community affairs. Typing and sewing

classes are still continuing, as well as regular tutoring sessions with academic students.

A summary report of the Cox's Cove project is available from Frontier College head office, and a similar report on the Hawkes Bay project will be available soon after the termination of the project at the end of October, 1970.

APPENDIX "D"

Brief

Presented by Northern Regional Development Association Committee, Zone No. 1, Bonne Bay-Trout River.

We speak of nine communities, from Daniel's Harbour to Trout River, with approximately 7000 people. The area has no industries and is apparently not being considered in the program under discussion here. In the past, however, the area supported considerable economic activity: commerce, fishing, boat building and food processing (fish and fruits).

Considering the large sums of money involved in the DREE program, we pose the question of possible allocation of small sums to local Development Committees for their projects. These Committees have given much thought and discussion to their problems and, on the basis of local commitment, have made reasonable requests to the Provincial Government.

As example, we give you the preamble to an outline of projects written by the Tourist Committee of Northern Regional Development Association, Zone No. 1 of Bonne Bay-Trout River:

The Committee has drawn up an over-all scheme for the beginning of a gradual build-up of tourism into a major factor in the area...

The area has been famous for its magnificent scenery since the last century and is acknowledged to be outstanding in Eastern North America. The natural environment and the picturesque settlements offer a wide variety of attractions as they stand, among them the following: hiking, hill-walking and rock-climbing; ideal sailing and boating on two big inlets and three exceptionally lovely ponds; good fishing on the ponds and rivers and also on the open sea and on the two inlets where mackerel and tuna abound in the tourist season; game of all kinds to be seen on the hills; in winter scenery resembling alpine country and offering fine touring on snowshoe, skis or ski-doos. All these pursuits are readily available to the enterprising and experienced, but so far there are no facilities for the average tourist to enjoy them.

From experts in the field, from numerous publications and reports and from first-hand experience of other places, there is no doubt that the development to the maximum of the

tourist potential of an area acts as a stimulant to all aspects of life, industry and trade. The scheme to develop tourism will tie in with any other industries developed in the area with reciprocal benefit. An exception would be any industry that destroys or pollutes the natural environment and makes it unattractive for visitors.

The cost of helping to develop a tourist industry is negligible compared to that of any other industry. It brings income to the people, both directly and indirectly, and this is widely distributed throughout the area and stays in it. Later developments by commercial concerns will add valuable jobs, but the majority of the income from these will go to the owners who may not even be in the Province. If local communities and individuals are encouraged to provide all the facilities they can in the beginning, the development of commercial enterprises later on will not completely by-pass them.

The scheme is designed to involve the communities as much as possible and to increase the number of visitors gradually so that the skills required for catering for them will be gained by experience, without the need for much outside help. If the "Community School" suggested for this area comes into being, groups would be encouraged to study some of the important aspects of catering for tourists.. (end of quotation)

The plans outlined were 1. public relations and information. 2. increased accommodation. 3. facilities for enjoyment of natural amenities, 4. special events.

The proposal then continues:

"If these simple plans prove successful in the coming year, more ambitious ones can be developed in future. Individuals will see ways to add to their income by providing needed services and thus the area will achieve its own independent tourist industry...If and when the National Park becomes a reality, the communities on the fringe will stand to gain considerably from it. By setting up the beginnings of their own tourist industry now, the communities will be then able to offer a wide range of accommodation and holiday activity as the number of visitors gradually grows. Even if the National Park proposal is shelved, it is certain that the influx of summer visitors

to Bonne Bay will increase and that Bonne Bay has an obligation as well as an opportunity to provide services for them."

The Government reply, in refusing any aid to any project put forward stated: "...Your rationale seems to be based on the assumption that if you increase the supply of tourism, the people of Bonne Bay will invest in projects to extract money from the tourist in return for goods and services.

This is the assumption I question. Your assumption may be likened to assuming that if you place more fish in the sea, fishermen will catch more. When in fact fishermen may not be catching the existing fish due to lack of equipment or knowledge or market"...

It has so far been impossible to make Government see that we are seeking equipment and knowledge to catch the fish we have.

This Committee believes that several small industries could be organized with little capital. For example, the seasonal industry of harvesting and processing wild soft fruits such as bakeapples, raspberries, squash and partridge berries could be profitable. If the Park were developed, it would contain some of the finest berry-lands and these could be harvested under controlled conditions. Outside the Park areas, land could be leased to responsible people for the cultivation and

protection of the area and for controlled picking.

Multi-use fish plants, small enough to be operated by local residents have not been considered. Nor has the development of the deep water harbour of Bonne Bay as a center of boat building and repair.

In preparation for the National Park, three or four workers could be employed on the Northwest coast, preparing people for the new opportunities by way of training; all that is needed is a slight variation in the ways people now have of doing things. The workers, intelligent and aware and familiar with the area, could choose people to be trained for various occupations; at present, training in the various technical schools is regarded as a way of making an immediate living and not as a preparation for further employment.

Many of our villages are not ready for resettlement. They need practical encouragement and support and development of initiative based on their own skills. If Government feels it must do *something* for these people, it should first listen to the people and with open mind consider their needs and skills.

Our only resource is in the natural beauty of our surroundings and what we can make of that. Tourism is the obvious industry for this area with a small sum of money, administered by local Development Committees, the industry would grow and thrive.

APPENDIX "E"

Submission to
THE SENATE COMMITTEE ON POVERTY

by

THE INTERNATIONAL GRENFELL
ASSOCIATION

July, 1970

History of I.G.A.

The International Grenfell Association or I.G.A. as it is commonly called was founded as a medical mission by a young doctor from England, Wilfred T. Grenfell in 1892.

Grenfell saw the need in the area for hospitals and organized leadership. The Coast at this time was settled sparsely by "livyers" (those that stayed year round) who subsisted barely from the land and the sea. The policy of the Mission was to combine with the medical work, other activities that are for the welfare of the people.

Grenfell, in his books, describes the people on the coast as "demoralized and an impoverished people".

The people along the coast were exploited shamefully by the fish merchants, ignored by the Colonial Government, riddled with T.B., rickets, scurvy and beri-beri. They were so deeply in debt that they were a forsaken people. With no insurance, fishing gear and equipment that was destroyed in storms meant total devastation for a family. Law and order was non-existent. To those people Grenfell was an angel from another world. From the decks of his ship, he gave out pills, clothes, advice and companionship.

A hospital was built in St. Anthony in the early 1900's which became the headquarters of the Mission. A Children's Home was built in St. Anthony, Cartwright, and North West River. Workers were brought in to stimulate handicrafts, and other projects for Grenfell was determined to make the people self-sufficient. A farm was established to provide fresh eggs, milk and meat. A dry-deck was built, along with a work shop, a power plant and water reservoirs which made the Mission self-operating.

By the 1920's the Mission was rapidly expanding. One decade of 1950-1960 saw a phenomenal growth. The age of the air ambu-

lance was introduced to the Mission and in 1968 a new modern hospital was completed in St. Anthony.

Today, I.G.A. operates five hospitals and fourteen nursing stations. The Mission also maintains handicraft industries, marine railway, machine ship, dormitories, three air ambulances and Hospital ships.

The Northern Peninsula and Southern Labrador cover a major proportion of the total area of the Province. There are a number of major centres; Daniel's Harbour, Hawkes Bay, St. Anthony, Main Brook, Rod-dickton and Forteau, Labrador. The Daniel's Harbour area lacks employment opportunities and the economic prospects are not good. There is a Heavy dependence on Government Assistance. The main source of income is the fishery and woods work. The cod fishery is not significant in this area and the fishermen rely a great deal on the lobster and herring fishery which has not been good in recent years.

There have been increased woods activities to the north of this area. This area must look to the woods industry more.

Hawkes Bay, sixty miles north of Daniel's Harbour, was a progressive woods industry town in the 1950's. This area supplies Bowater's with a large quantity of raw materials. This operation gave a good deal of employment. However, this operation was severely cut back causing serious unemployment.

This year a chip mill was completed in Hawkes Bay. The operation will give employment for eight to twelve men in the plant and twenty-five to thirty outside. The plant will give a slight lift to the area, but more needs to be done. Hawkes Bay has been selected as a region for some of the D.R.E.E. funds.

There is great potential in the woods operation in this area and there could be an industry producing wood products.

The fishing in the area is also a potential. Port Aux Choix, twenty-five miles north of Hawkes Bay has done considerably well.

A new fish plant was completed there two years ago. This has become a strategic point, as in recent years the fishery has been the best in the province. There has been a fleet of longliners operating out of this settlement from the rest of Newfoundland and Nova Scotia.

Port Saunders is included in this area. Port Saunders is situated between Hawkes Bay and Port Aux Choix. This settlement has a population of approximately 1000. It relies on the fishery and woods operation. There are less than eight longliner owners there, and thus the other fishermen are still using antiquated methods.

The people have complained a great deal about foreign trawlers and many fishermen have lost their gear. Special requests were made to Ottawa to rectify this.

St. Anthony's population is approximately 3500. There are two main sources of employment here; the International Grenfell Association which employs 370 permanent persons and approximately 45 seasonal employees and the fish processing plant which seasonally employs about 250 persons.

Outside St. Anthony, the main industry is the inshore fishery. While the catches have been relatively low, the prices for fish have been low, thus many fishermen received low rates of unemployment insurance payments.

The Main Brook—Roddickton area at one time was fairly well off economically. Bowaters accounted for a great deal of the employment through its woods operations. Main Brook was used as a port for the export of all the pulp wood. The settlement is mainly a woods town, however, since Bowaters has slowed down in this area. Main Brook has increased poverty problems. The price of newsprint decreased causing the operation in the area unprofitable in Bowaters' sense.

Roddickton is primarily a wood town. Chester Dawe had a thriving lumber industry here and shut down three years ago. He attempted to sell his operations, however, no one was interested. With the shut-down of his operations, and the slow down of the Bowater operation, unemployment increased greatly.

The Forteau area depends solely on the inshore fishery for a livelihood. During the last few years the fishery industry could only be described as a total failure. Many fishermen were unable to cover their expenses.

With this overview of our area, we shall delve into the core of this brief-poverty, and how it affects our life here.

Definition of Poverty

The first task then will be to define poverty as seen in this area. Poverty is the ultimate concern of economics and all economists.

Because pockets of poverty remain in the richest of countries, many economists are deeply concerned about equalization. Even with the achievement of "affluence" in the more industrialized countries, there is still a prominent proportion of poverty in certain areas.

What is Poverty?

One cannot define poverty with one simple definition. One is faced with the great differences among different areas and the inadequacy of any single criterion for spotting it. Poverty includes quantity comparisons with richer areas in the fields of Health, for example, can be measured by death rates, life expectancy, infant mortality, and the like. Education can be measured by literacy and the proportion of the relevant age-groups completing primary, secondary and university education. Per capita incomes are another indication.

Our problem is thus reduced to finding the figures or definitions that will provide an approximation so a measure of the incidence of poverty in our area can be reorganized. The level of per capita income is a start, but it does not tell us enough. We must know something about the distribution of income, including the impact on disposable income of government intervention in the form of taxation and expenditure on public services.

One of the most striking factors of depressed areas is what has been called a "technological dualism": the division of the economy into two distinct and radically different sectors, one technologically advanced and the other technologically retarded.

It is this retarded or "traditional" sector in which is found handicraft or cottage industries and very small scale industries and outmoded fishery methods. In this traditional sector, the techniques are themselves traditional, sometimes centuries old, highly labour-intensive, causing productivity to be correspondingly low.

From this base, we shall illustrate how poverty has affected education, welfare, communications, and the vicious circle that has evolved.

Education and Economic Development

For centuries, economists have emphasized the importance of "human investment".

Today, the conviction among economic development planners that human resources yield particularly high returns is so strong that there is a maxim among them, "when in doubt, educate". Development planners tend to feel that when they are confronted with seemingly impossible problems of establishing priorities and allocating development resources, they can never make a mistake by putting a lot of money into education—meaning here not only formal education but all aspects of training as well, including adult education, literary campaigns, vocational and technical training, fishing extension work and the like.

What is education? This is a basic problem. We have accepted the fact that our area is backward but how do we go about the reconstruction process. Is it to educate ourselves into a new sort of life consistent with the spirit of science and yet retraining the fundamentals of humanity and its ideals? This is one of the most pressing obligations of a progressive society. It is to this end that efforts must be directed.

Education

In dealing with education, one finds two types of poverty; that is an economic type and an impoverished type. The economic type includes persons who are backward intelligently. These persons have not been exposed to the outside. They have been isolated totally. These people have had no opportunity to communicate with the outside and have not been given the chance to develop.

The impoverished type include those people who have been neglected by modern methods. These people have high intelligence quotas, but have no basic knowledge because they have been deprived of a good solid background.

This second class is very evident in our area. Three years ago children from the smaller communities began to be bused into St. Anthony schools. Many of these children were intelligent but they were so far behind children in St. Anthony, that they set themselves apart. They were used to seeing only their own environment, and they could not adjust to a different one.

The school found these children were not able to express themselves. The Supervisor of Education for this area felt that bringing the children in from the smaller communities was

a great step forward. He felt that in the last six years the standard of education in the smaller communities has greatly decreased.

In discussing the topic with the supervisor, he felt that exposing the children in this area was the greatest difficulty. This could be solved a great deal by utilization of guidance counsellors and special education groups. He stated that the Newfoundland government made special application for this type of education this year. However, it could not be applied in this area because of space in the school building.

Isolation is a basic factor and everything connected with education revolves around this phenomenon. No connection with the outside is fundamental to our life here. There is no understanding of the outside and how things are done.

This leads to a lack of incentive and initiative by individuals. There are two types of motivation: firstly, motivation for a better standard of living, and secondly motivation to be comfortable in isolation.

After living in isolation, most people find it very hard to adjust to the busy life of the outside.

The Supervisor of Education pointed out the difficulty in getting teachers to go to meetings and conferences in major centres of the province. Likewise, he stated, the difficulty in getting them to take responsibility. This attitude is inherent in isolation—cutting oneself off totally from any external forces.

While discussing the present educational structure, that is the elementary school and high school, the Supervisor felt that the high school was not meeting the needs of the area. He felt that the high school caters to university potentials only, and the majority of the students become drop-outs. Last year the number of graduates from the area that entered university were less than eight. He felt compulsory education was too long, thus cutting out opportunity for apprenticeships. An example of this: a boy failing grade nine twice is pushed on to Grade ten where he again fails twice. He is then pushed into Grade eleven where he fails twice and finally drops out, holding a Grade eight diploma. This boy is now twenty-one and frustrated.

The Supervisor agreed with a suggestion for vocational courses combined with some required academic courses in high school. He

suggested a "Junior College"—an institution where drop-outs can obtain a vocation and where adults studies are given. Here the drop-out becomes up-graded and receives a trade. This gets away from the frustration of the classroom.

This type of education was practiced by Grenfell in the early 1900's. When the Grenfell Mission built schools in this area and Labrador, the curriculum was complemented by special training courses for the children. These courses involved cooking, dress-making, preserving foods and the like for the women. The men took carpentry, boat building, nets and gear and other practical courses.

The population was then augmented by compulsory academic courses and practical knowledge that was fundamental to life here. Many argue today that people were further ahead with this type of education than today. This is a matter of opinion, however, more stress needs to be placed on technical courses and practical courses. The majority of students stay in the area and do not further their education past Grade ten or eleven. There is a great void meeting the needs of the great number of people found in this group. A few move to major centres where they attend Vocational schools; however they return to seek employment. If they cannot find the job they were trained for, most are quite content to accept anything in order to stay at home. This is a type of "retardation to progress" that is common in all depressed areas.

We find ourselves in a vicious circle, these types that prefer to stay at home lack initiative and shun responsibility. It is these people that make up the majorities and are left to run our local affairs.

The people in the area seem to have an ingrowth, in the sense they do not seek counsel from outside the area to improve their situation. So we never improve our situation as the cream of our population often leave, leaving the drop-outs and similar types to run things. The educational system has not given individuals self-assurance. For the most part, people bottle up when given the opportunity to make suggestions, or given the opportunity to better their situation. Newfoundlanders are generally known for this phenomena. It dates back through the centuries and is the result of being an island and being cut off from the rest of Canada.

One of the basic problem in the educational system here is the lack of qualified teachers. The high schools are fairly well staffed, however the elementary schools often lack good leadership. Thus, the children lack a good foundation for later education in the high schools and universities. Often it is because of the poor foundation that children can not cope in the high schools where demands are made on them.

Another problem is getting the people concerned about their situation and to motivate them to act. An experiment was carried out in the Fogo area by the Memorial University Extension Program some years ago. The process involved filming the people of the area in their daily tasks and interviews held with people of that area. Different attitudes were expressed in the film by the people. It was not until the film was taken back and shown to that area did the people suddenly realize their situation and sought to improve their lot.

The people were amazed at what they saw about themselves and realized that they had never seriously looked at themselves. One could argue for more of this type of study for depressed areas. Once the people begin to realize the importance of improving their own situation themselves, the negative attitude that is so dominant will change, issuing in a new encouraged attitude by all.

Welfare

Welfare is another grave problem. There are approximately 600 persons on long term assistance and 700 persons on short term assistance in the White Bay area. Long term assistance may run into a number of years. While short term assistance is from a few months to a year.

Welfare is directly related to poverty. Welfare is the result of poor economic conditions or disabilities in individuals. More, Welfare is the result of poor economic conditions for the most part. It has been the philosophy of the Department of Welfare to furnish financial assistance on the basis of need as they see it. The payments are determined by the Department to provide adults or families who are unable to provide in whole or in part by their own effort, necessities essential to maintain a normal, healthy existence.

Able bodied relief accounts for the major proportion of payments made in this area.

This is largely due to low prices for fish. The last five years have been poor and a good number of fishermen were unable to cover their expenses. All those fishermen seeking relief are using traditional fishing methods that were used three centuries ago.

There are a fair number of people who have sold their gear and have been content to go directly on relief. Many people find this is the only answer. The proportion of this type going on relief is alarmingly large. As a fisherman stated, "why go on fishing—working from 5 a.m. to 9 p.m. for a few dollars, when I can go on relief and stay home all day and get relief".

Department of Welfare do not always face the facts along this line. They state that this type of person is a small minority and not significant to merit mention in their annual report.

One cannot argue against Welfare assistance as every individual should be given the chance to "comfortable living". However, one could argue that the relief payments given, do nothing to improve the families' situation. It keeps them living from day to day and that is all. There is no social work done in this area. The Department feels that because the numbers on Welfare are related to economic conditions which are poor, their function is namely one of keeping the people alive.

There have been suggestions for work projects for persons on Welfare. This has received positive attention and one could argue that it needs to be implemented. Straight handouts are demoralising and have lifeless effects on those who receive them.

One of the main problems of those on Welfare is basic knowledge in money management. The assistance is often wasted on non-essentials and the like.

Some feel that the Department of Welfare does not do enough. For instance, they seldom check to see how the assistance was spent.

There is a great need for social workers. A lot of our problems are related to a type of backwardness and retardation of a type. This can be found more prevalent in smaller isolated communities where there is a great deal of inter-marriage.

The Memorial Extension Program is a step in the right direction in remedying the basic lack of knowledge in many of these smaller communities where the people are completely

lacking in any type of family management. However, this program only touches a few towns and cannot meet total needs.

The biggest task of the Welfare Department should be one of education—that is teaching their dependancies means of a better living. At present this is not being practiced, however, the Department has long range plans for more of this type of assistance. For instance, those on Welfare shopping in the local supermarket usually buy bread, T.V. dinners, sweet biscuits, frozen vegetables and the like. While the low income family buys flour, meat, tin vegetables and other basic essentials. The main argument here is that those on assistance just do not have the basic knowledge in good family spending.

Welfare benefits have greatly increased in this area in the last five years. This is largely due to the depressed economy that has set in, in this period. In the pre 1964 era, the fishery was moderately good and road construction was at a maximum. Generally jobs were easy to come by, and the unemployment level was low. With the completion of roads, other construction projects, and the poor fishery, unemployment has greatly increased. Thus, the Department of Welfare was called upon to assist in supplementing the family's income.

This in itself is not bad, as the cause for poverty is a symptom of social disfunction. However, as the Welfare benefits are presently structured it is difficult, and one could argue impossible, for the deprived person or group to better his lot.

In dealing with this problem requires a great deal of effort on the part of many services. These services must be integrately planned for different areas, as the problems of one area are often completely different from another. Co-operation will have to exist between the Welfare Department and the Education Department whereby, the two can act as a brain to the extent of further services.

The Canadian Welfare Council in 1966 concluded in a study that low educational levels often determines a person's position with regard to poverty. Thus, it will be up to the two Departments to act efficiently for continued progress along those lines.

Communications

This phenomena affects poverty in many ways. Because we have no live television, no newspaper, one radio station relayed from Corner Brook and a very poor road, our isolation is established.

Isolation is a basic aspect of poverty. This affects education immensely.

With no live television, the area is not kept up to date on the affairs of the outside. Not only by the news coverage of television but also through television-new trends are introduced and new methods of living seen.

Television is very beneficial in education the people and generally broadening their mind and increasing general knowledge. It is hoped that this area will receive live television within the next year. This should be a positive step in the progress desired.

The road is another very 'touchy' topic. As you may have realized, one only comes over the road when one has to. We have two scheduled E.P.A. flights a week if the weather is good, landing on the gravel air strip. This schedule is hampered by fog and stormy weather and only operates successfully in the summer months. In the spring the air strip is washed out, and the Air Ambulances are often grounded for as long as a month.

It is hoped that the airstrip will be paved. It has been under water for some time, and it is hoped that positive action will be taken on this essential link with the outside.

The road has helped the area considerably since it was completed nine years ago. We now receive fresh fruit etc. year round. Because the road is gravel the cost of transportation is extremely high. This road is the longest gravel road in Canada, 320 miles. The road has linked up tiny communities scattered along the coast and brought many of them together.

With the opening of the area by the road, many isolated communities missed by the road have been resettled in areas linked by the road. This whole resettlement program has been under study and there have been many arguments placed pro and con as to the results of such a program. In this area, one could argue that the results have been poor and those resettled have been placed on relief, whereas before they had a type of home industry of fishing and gardening in

their tiny isolated settlements. The social aspects of this re-settlement are varied and do not belong to the scope of this paper.

The road has contributed to a limited number of tourists in this area. It has been argued that if the road was paved the numbers would immensely increase. Many reports have reached us, that tourists upon reaching the gravel road quickly turn around and spend their holiday elsewhere.

There is a great potential in this area for tourists as sport fishing is excellent, the scenery is beautiful, the traditional life awes many, and the Viking interest some.

Recommendations for Development

Few depressed areas have been without substantial improvements in techniques in the past. The problem is not merely one of introducing some degree of improvement in techniques, it is a matter of raising the rate of technological progress. Nevertheless, there are many problems with regard to increasing the rate of technological progress in depressed areas.

A high rate of technological advances require both invention and innovations, that is, it requires that new techniques be not only discovered, but brought into use. Unfortunately, most depressed areas have limited indigenous entrepreneurisms. True, government may replace private enterprise as an innovator. Government enterprise has disadvantages for development in depressed areas. Most depressed areas are very short of trained people at the top levels of government. If these people concentrate on development policies and problems, they neglect regular duties of good government. The result is bad administration which is one of the main barriers to economic development.

Any comprehensive program for economic development demands the development of sophisticated inventory of resource endowments, an appraisal of present systems of resources, utilization, an analysis of cultural and physical obstacles to resource potentials, plus one must take into account conflicting use and demands for given resources.

Looking at our potentials, two resources are evident. Fishing could be a main industry for seven months of the year. The present size of the fish plant should be tripled. A large fleet of fifty to sixty long liners and draggers should be utilized. This would be an immense boost to the area.

Presently, the policy for subsidies for long liners are inadequate. A man must come up with a 10 per cent down payment before he can qualify for the subsidy. This is practically impossible for most fishermen. Possibly this 10 per cent could be paid once the fishermen have begun their operations. Many fishermen feel this would be a better set-up and many more would apply for the subsidy. Longliners have been built in St. Anthony, and the Grenfell Mission have the facilities of a marine railway offering a good centre for construction and maintenance of a fleet of longliners and trawlers.

Presently, cod and salmon are the concentrated species sought by fishermen of this area. The foreign fleet diversifies its operation as should be done with the inshore fishery, especially shell fish, crab, herring, scallops, and the like. Many of these types are plentiful but not exploited.

The main complaint with regard to the foreign fleet is that these fleets drag a large proportion of the fish and disposing of the waste, supply feeding ground for the fish, thus these fish stay off the land some 30 to 40 miles—too far out for the inshore fishery.

A second resource found in the area is timber. In the Hare Bay-Roddickton area the timber stand is significant. Suggestions have been made for shorter road link to the logging and lumbering area. These suggestions include a road from the airstrip along the bottom of Hare Bay to Roddickton. Now the road runs over the top of the peninsula along the West Coast to Plum Point by-passing the timber stand, and also making the road length 180 miles instead of a possible 60 miles.

This potential road would open up the interior where there is a fair proportion of good farm land. Also, this road would link up with an area that is a potential park site. The site is situated approximately twenty-five miles from St. Anthony, on the potential road mentioned to Hare Bay. It includes an area of five square miles of forest, a large lake and beautiful mountains. This is an ideal fishing area as well as skiing in the winter.

With a good paved road and a park area, this area would become a potential tourist attraction.

A co-operative movement is practiced here. The present Co-operative Society established by Grenfell has lost its purpose. The people do not understand the meaning of a CO-OP and have defeated themselves. The CO-OP could be an industry within itself. As it stands today, it is no different from any of the other private enterprises. This type of Society needs to be re-established in areas such as this, and the people need to understand the purpose of such a society.

Conclusion

We conclude that this area is depressed as evidenced by this brief. The people are deprived of cultural, technological and educational advances felt by other areas of Canada. Because we are isolated we experience the frustration of a lack of any link with progress.

We hope that through the actions of an intelligent government, this area will receive the assistance that is needed, in order that the people of the area may share in the program and 'Just Society' that is applicable in the rest of Canada.

APPENDIX "F"

Having carefully looked over the area known as the Northern Peninsula, there is no difficulty to see poverty in abundance in many places. Those conditions exist because there is no opportunity for many of the workers to obtain work.

We all agree that not all of the men would take work if offered them but the majority would; and because they are not able to find suitable employment they are living in a state of poverty. Most of the poverty is among the class of people who have lived through the hard times when this whole area was an isolated area. There were no schools or a school with no teacher.

Children were not able to get an education, therefore, are now not able to take skilled labour or when looking for work the first question asked them, "What education do you have"? The answer has to be none or very little—consequently, no work. He is then found to live in poverty, not by choice but by circumstances over which he has no control.

Poverty caused by being unemployed or underpaid can be cured. Poverty caused by an inability to rise above the conditions one finds oneself in, regardless of effort, cannot be cured. This we will deal with first. For example, two men start out in life at the same time. After a few years, a comparison is made. They are both carpenters by trade getting the same wage. Having the same number in family, one lives very comfortably while the other finds it very hard to get the bare necessities of life. When Christ said, "The poor ye have with you always", he could foresee circumstances over which society

could have very little or no control. Thus we know that regardless of opportunity, regardless of efforts of alleviation, the same circumstances will exist.

Poverty caused by unemployment or poor wages is different. This, without doubt, is unnecessary in a country such as Canada. Someone once said, "Only fools and horses work". This could be true but there are thousands willing and eager to earn a livelihood for their families in Canada today, but the opportunity is not there. Surely, the brains that can run the affairs of the country, many of them in an efficient way, could pool their intellect in such a way that those who would rather earn their living by the sweat of their own brow than the sweat of somebody else's brow be given the chance to do so.

We do not believe that those responsible for employment should only think in terms of whether a certain project could have a certain yield but think in terms of how many could be employed; then, if a deficit occurs, subsidize.

Years ago enterprising people would start small industries. Now with all the regulations to deal with, the forms to deal with, and the reports to make out, half of them unnecessary, the same type of people would rather be the employees than the employers.

We think that small business, whether in fish, agriculture, real estate, or whatever it might be, should be encouraged to the full.

J. Ollerhead,
A. Sheppard,

For St. Anthony Town Council

APPENDIX "G"

BRIEF TO THE SENATE COMMITTEE ON
POVERTY

CARTWRIGHT, LABRADOR

Introduction

This short brief, prepared by the undersigned residents of Cartwright, is presented to the Senate Committee on Poverty with the intent of providing a capsule outline of problems, potentials and general conditions in the Sandwich Bay area of the southern coast of Labrador. It is hoped that it will aid the committee in its assessment of both the causes and effects of economic disparity and poverty in southern Labrador. The brief is in no way comprehensive nor does it pretend to represent a consensus of the community of Cartwright. It is an outline of the situation as perceived by the contributors who have an interest and concern for the development and welfare of this area. They assume full responsibility for the contents herein.

Population

Cartwright with a population of slightly over 800 people, is the largest community on the southern coast of Labrador. It serves as the centre for the Sandwich Bay area. This area includes all habitation between West Bay to the north and Seal Islands to the south. Within this area are the winter communities of North River, Paradise River, Cartwright, Porcupine Bay and Black Tickle. Former winter inhabitants of Spotted Island, Batteau, and Seal Island now reside in Cartwright during the winter. The total population for the area is close to 1,200.* Three quarters of the Cartwright population return to small and scattered fishing stations during the summer months. The people of Paradise River, North River and Porcupine Bay also scatter to summer fishing stations. Most families return to their winter homes by the end of September.

*For a detailed demography see "Community Inventory of Labrador", A. Prince Dyke, Dept. of Labrador Affairs, Confederation Building, St. John's, Nfld., March 1969.

Employment

Cartwright began to develop as a large centre when the U.S.A.F. radar site offered employment opportunities starting in the early 1950's. While many men were employed as casual labourers during the construction phase of the site, it levelled off to a permanent employment of local people of about 20, once the site became operational. This employment injected approximately \$150,000 in wages into the local economy. In 1968, the U.S.A.F. withdrew from the site, reducing local employment to 8 men who have been employed by Canadian Marconi Company, which continues to operate the site under contract to the U.S.A.F. This local labour force is likely to be phased out by the end of 1970. Out of a labour force of approximately 275 men and women, there are in Cartwright about 50 employed in permanent positions (i.e. teachers, nurses, police, store personnel, govt. depts., and Bell Telephone). The only present opportunity for the remaining labour force in the Sandwich Bay area is the inshore fishery. Wage opportunities do exist at Goose Bay and in central Labrador at Churchill Falls, Labrador City and Wabash, but most of these opportunities require a trained and skilled labour force, which is lacking on the southern coast of Labrador.

Marine Resources

The inshore fishery in the Sandwich Bay area depends upon two species, Atlantic Salmon and Atlantic Cod. The salmon are caught in fixed gill nets. Total production of salmon varies between 200,000 and 300,000 lbs. in normal years. Although a few crews harvest 10,000 to 15,000 lbs. of salmon, most crews average 4000 to 5000 lbs. Total yields per unit of effort have declined over the years and this high priced fish is now under heavy pressure in offshore waters. Salmon fishing realizes the highest profits for fisherman and merchant alike on the southern coast of Labrador. Current competitive market values bring 50 to 70 cents per lb. to the fisherman.

The cod fish has always been the mainstay of the inshore Labrador fishery, and the Sandwich Bay area, including the Domino region, has produced some of the highest yields per unit of effort for the Labrador coast. In good years, 2 million lbs. of fish

(20,000 quintals) have been caught between West Bay and Seal Islands. These fish have been caught in fixed cod traps and in recent years also in fixed gill nets. This method of fishing depends upon the fish coming to the fisherman, however, and consequently the fishery is always a gamble. In the past two years, in fact, the cod fishery has been a total failure on the southern coast of Labrador.

The fishery has other difficulties besides the risk of failure. In the Sandwich Bay area, all of the codfish produced is marketed as heavy salt bulk fish. Revenue is lost through shrinkage and also through lack of quality control. There are no processing plants on the coast, and the centuries old mercantile system prevails. In the Sandwich Bay area there is little actual exchange of cash. Supplies are given to fishermen on credit and in many cases even fishing gear is rented out. Cod and salmon both have been sold to the merchant on open receipt and it is usually not until the "squaring up" in the fall that the fisherman knows what he will receive for his fish. This situation is now in the process of change due to the presence of competitors for salmon buying and due to the newly created Salt Fish Marketing Development Corporation, but for generations the fishery has been an exploitive one, with all the risks going to the fishermen and the bulk of the profits to the exporter and merchant. This system has offered a degree of security in that the fisherman is never allowed to go under, but seldom is he able to accumulate capital to innovate, to adopt new fishing techniques and to take advantage of new markets.

A number of marine species which are to be found in abundance in certain years are not commercially harvested at all. Herring, mackerel, trout, and arctic char have been abundant in the past two years of codfish failure, but were ignored for lack of processing facilities and marketing outlets. A number of species of seals are another marine resource which are not taken full advantage of owing to lack of harvesting, processing, and marketing facilities.*

In summary, neither the capital, the equipment, the training, the information, nor the encouragement are available or accessible to produce the necessary economic flexibility to take full advantage of the marine resources in the Sandwich Bay area and, indeed, along

the whole of the southern coast of Labrador. Thus, the poverty of this area is rooted in the underdevelopment of economic and human resources rather than in the lack of these resources. Such poverty manifests itself in the growing dependence upon transfer payments to maintain the economy, particularly as cash needs grow with the demand for such new technology and innovations as skidoos, outboard engines, telephones, and modern community services. Moreover, with the centralization of the population of the Sandwich Bay area into Cartwright, subsistence income, particularly from country foods, has decreased, with the consequent increased dependence upon costly imported goods at the local stores.

Forest Resources

The only major apparent alternative for development on the southern coast of Labrador is in timber resources. In the Sandwich Bay area there are sufficient timber stands to support a logging or pulpwood operation up to a maximum of 150,000 cords per year without any danger of depleting the supply. To the south, St. Michaels Bay, Alexis Bay, and St. Louis Bay could, in combination, provide a sustained yield of 150,000 cords per year also. For 8 months out of 12, a forest industry could rely upon a dependable supply of local labour in these 4 bays of at least 150 men, with a potential labour force of close to 400 men. Sandwich Bay offers excellent road building conditions and good harbours for loading ships. Moreover, its navigation season is 2 months longer than that of Hamilton Inlet and Lake Melville. The same is true for the 3 bays to the south. Nearly all the forest resources of southern Labrador are presently held in concessions by private corporations and entrepreneurs.

Development Capital

Although there exists development potential in both the fishery and in forest products, development capital has not been put into the Sandwich Bay area. On the Federal level, the southern coast of Labrador has been excluded from the ARDA Agreements and the Incentive Acts of DREE. Since the provincial government depend upon these funds for their own development programmes, there has been little input from that quarter also. The southern coast of Labrador does not even have access to the funds available to the northern coast of Labrador, which is eligible

*See "Fisheries Development in Labrador", Memorial University of Nfld., May 1966.

to receive a million dollars per year through the Department of Indian Affairs and Northern Development because there are Eskimos and Indians living in northern Labrador. Yet, there are also white settlers living there and benefitting from such aid. The economy and way of life in southern Labrador differs little from that of northern Labrador, and certainly third and fourth generation white settlers (many with some degree of Eskimo and Indian Blood) are as much native to the coast now as are the Indians, Eskimos and Settlers of northern Labrador.

Transportation and Communications

The lack of adequate transportation and communication prevents or inhibits the growth of business and industry which is directly related to poverty all along the South Labrador Coast.

The modes of transportation are aircraft in winter and spring and shipping and aircraft in summer and fall. The only aircraft transportation from early December until June is on a space available basis on any chartered aircraft that might come this way, subject to the charterer allowing incidental passengers aboard the aircraft. The incidental fare from Cartwright to Goose Bay, a distance of 142 air miles, is \$28.00. Other than that, an individual or business wishing to travel on, or to and from the coast, must charter. This method is prohibitive to an individual or small business because of the high charter rates and having to pay for the return mileage. Rates from Goose Bay to Cartwright for a Cessna 180 are \$165.00; for a Beaver \$256.00; for an Otter \$373.00. Ninety nine per cent of charters to the coast are by large corporations or government agencies (eg. Bell Telephone, U.S.A.F., D.O.T., Dept. of Fisheries, etc.).

It is interesting to note that the charter rates available from Goose Bay are ten cents a mile cheaper for a DC-3 than for an Otter. The DC-3 has over twice the carrying capacity of the Otter but cannot be used because of the requirement of landing strips. There is not one landing strip on the south or north coast of Labrador except for the Saglek radar site where there is no community. The Quebec Government have landing strips on their coastline all the way to Blanc Sablon, with a scheduled air service to all communities enroute.

Freight movement by air is virtually non-existent due to the high cost of 14.2 cents per lb., which means the southern coast of Labrador is without fresh fruit and vegetables for six months of the year. These are only some of the basic things available to all other Canadians.

Water transportation extends from mid June until early December. This could be extended, starting earlier and finishing later. It is definitely possible to navigate the south coast of Labrador until January every year. The freight handling aboard ship and on the dock could be definitely improved. There is a high degree of damage and loss of freight. At Cartwright there is a dire need for a wharfinger to protect and speed handling.

Most of the first class accommodation on the coastal ships is booked from St. John's by tourists and is not available to the Labrador people that the boats are basically intended to serve.

The mail service during the period handled by aircraft is acceptable. There is a once weekly flight, but mail could and should be at least twice weekly. The mail service handled by the CNR coastal boats is most unsatisfactory. The period between mail boats is from 10 to 12 days. No proper check is kept to protect the mail as no manifest is produced by boat staff to show the quantity of incoming mail.

Communications in respect to telephone service appears to be improving. Bell Telephone of Canada has already installed private dialing in some communities on the coast, and Cartwright has been promised the same before the end of the year. Until this dial system is installed, service at Cartwright could be improved by extending the time the radio-telephone is operational, which at present is 7 hours out of 24.

Communications in respect to information flowing between government agencies, both provincial and federal, and residents of this coast is practically non-existent. The population is continually left in the dark when policies are made which affect it. There is no flow of information from the MHA or from the Dept. of Labrador Affairs. Messages sent to the Provincial Government in St. John's usually receive no answer.

The lack of communication from government is most detrimental to the effectiveness of such voluntary self-help groups as the Coastal Labrador Regional Development Association. It restricts their ability to assist government in gauging the needs and in correcting problems which exist. CLRLDA also has great difficulties in operating due to the lack of funds and the means to travel or to assemble the directorate. Application to the Provincial Government for travel assistance has been refused.

Community Services

Cartwright has the only certified community council on the southern coast of Labrador north of the Strait of Belle Isle. Its financial needs for such services as road maintenance and garbage disposal are met by a per capita local roads grant by service charges and business taxes. Its major task at present is providing water for the community. Special grants from the Provincial Dept. of Municipal Affairs have been sufficient to bring to a successful conclusion a well drilling program by the end of this year. However, the cost of distributing the water derived from these wells and of providing a disposal system have not yet been estimated. This cost will undoubtedly exceed \$100,000 and will require Federal Funding. Until an adequate water system is operational in Cartwright, the situation remains critical with constant hazard to public health.

EDUCATION

The Educational District of Labrador South is the largest single district in the province of Newfoundland and Labrador. It stretches

	Grants	Fuel and electricity	percentage of grant
Labrador East	\$150,803	\$47,900	30
Deer Lake	\$142,191	\$30,000	24

We feel that the above is a graphic example of regional disparity and we suggest that some method be found to correct this situation. We realize that the Government is bound to treat all schools fairly, but it is nevertheless obvious that because of geography the present system of allocating grants is grossly unfair to Labrador schools.

Problem

It is difficult to recruit qualified Newfoundland teachers to Eastern Labrador schools.

from Nain in the North to Mary's Harbour in the South. One complete plane trip throughout the district comes to 1,160 miles. Because of our geographical location, length of winter, high cost of living and transportation and communication problems, we feel that special consideration should be given to our district.

Problem

Operating costs for education facilities are higher in Labrador than elsewhere in the province and grants now received are inadequate to meet these costs.

Solution

A different system of allocating grants to Boards should be devised, or some method found for meeting the financial needs of Eastern Labrador schools.

Eleven years ago at an education conference called by the Government of Newfoundland, Rev. F. I. Peacock, Superintendent of Moravian Missions, proposed that because of: (a) the high cost of fuel (b) the length of winter (c) the extremely cold temperatures (d) the adverse effect of the latter two on property maintenance grants to Labrador schools should be increased. From that time to this Labrador school boards have been making the same appeal. However, although their costs are higher, grants to Labrador school boards are the same as those to all other schools in the province; and our school board finds it extremely difficult, indeed virtually impossible, to meet normal operating expenses. From the foregoing figures we see that we are spending approximately one-third of our operating income on fuel and electricity. The following comparison with another Newfoundland centre is significant.

Solution

This problem could be overcome by extending the cost of living allowances presently paid to all Government employees to Eastern Labrador teachers.

Another area where Labrador finds it difficult to compete with the rest of the province is in teacher recruitment. Not only do we have to compete with less isolated and more developed areas of the province, but with our affluent neighbours, Labrador West. The most important aspect of any school is the teacher,

and yet we find it difficult to attract better qualified teachers to Labrador, particularly to the Coast.

How can this be changed? All Governments involved in Labrador, the United States Government, the Canadian Government and the Newfoundland Government, recognize that there is a 15-20% cost of living factor. All Governments provide for this in the way of living allowances to employees. However teachers are the only group paid out of Government funds that does not get a living allowance. These allowances are on the average \$1200 per annum for married personnel and \$600 per annum for single. This discrimination is especially detrimental when we consider the priority, a priority that the Government of Newfoundland has always insisted on, that education should have. There would seem to be a great discrepancy between the priority that education is given philosophically and the priority it is given financially, at least in this particular instance.

Problem

The district of Labrador South is the largest in the province, more personnel are required for effective supervision.

Solution

Change the regulations to permit smaller Boards to hire generalist instead of specialist supervisors. This can be done at no extra cost.

Teachers even the better ones, need supervision. At the present time adequate supervision is extremely difficult, if not impossible, for our administrative staff. This is so because there are too few supervisors compared to the area to be covered and because of transportation problems. Suffice it to say that the district, to be effectively supervised, needs more supervisory personnel. At the present time we have one superintendent, one supervisor of instruction, and one business manager. There is a need for additional generalists supervisors. However regulations presently adopted by the Department force us to hire specialists. To begin with (and as we pointed out above) we find it difficult to attract qualified specialists to our area. Secondly our teachers, on the coast in particular, are in need of general supervision rather than specialist advice. We request that we be permitted to employ a generalist supervisor instead of an additional specialist. This can be done at no extra cost.

HEALTH AND DIET CONDITIONS

The general health of the population of Cartwright cannot be said to differ greatly from any average community in Canada. However, probably there is a quicker spread and lower resistance to infection, the former due to overcrowded housing conditions, the latter due to poor dietary standards. Homes vary greatly but where there is inadequacy of diet it is often due, not to poverty but to a lack of knowledge of the right way to cook them to preserve the most nutrients.

Cleanliness is generally very good in the homes, but outside the homes it is poor—litter and broken glass being a common occurrence. Sources of water are often not fit for human consumption and there is an inadequate disposal of sewage. The number of out houses is few, the general occurrence being pails in the houses mainly for the use of the women.

Other public health problems are interminable. There are inadequate dental facilities, practically no ophthalmic service, no school medical services and very rare visits by a paediatrician, as shown by the list of doctor's visits given below. Up to the present there has been little health education in the school and what has been done has been by teachers unqualified in the subject. Sex education is nil and moral conditions lead to unhealthy adolescence.

Doctor's Visits

No ophthalmologist for refraction

11 General Doctor's clinics in the past 18 months with an average of 19 people seen in three and a half hours.

1 visit by a psychiatrist—8 patients seen.

1 visit by a paediatrician—7 patients seen.
9 months between dental visits—one visit being for two weeks and another for ten days.

Contributors:

Introduction and General

Mr. H. A. Williamson,
Extension Service, MUN.

Forest Resources

Mr. Chesley Lethbridge,
Forest Ranger

Transport and Communications

Mr. Francis N. Kelly,
Pres. CLRDA

Labour force

Mrs. Sarah Holwell,
Housewife

Education

Rev. Munden Waye,
Anglican Church of Cartwright

Health

Miss Jean McKechnie,
Nurse, I.G.A., Cartwright

Miss Carolyn Woods,
Nurse, I.G.A., Cartwright



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

POVERTY

The Honourable DAVID A. CROLL, *Chairman*

No. 55

MONDAY, JULY 20, 1970

WITNESSES:

(See the MINUTES OF PROCEEDINGS for the names of the witnesses who were heard.)

APPENDICES:

- "A"—Brief submitted by The City of Edmonton Social Service Department.
- "B"—Brief submitted by The Monica Society.
- "C"—Brief submitted by the Edmonton Social Planning Council.
- "D"—Brief submitted by UNIFARM.
- "E"—Brief submitted by the City of Edmonton Social Service Special Project (Professional Group).
- "F"—Brief submitted by the City of Edmonton Social Service Special Project (Client Committee).
- "G"—Brief submitted by the Edmonton and District Council of Churches.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON POVERTY

The Honourable David A. Croll, *Chairman*

The Honourable Senators:

Bélisle	Hastings
Carter	Inman
Connolly (<i>Halifax North</i>)	Lefrançois
Cook	MacDonald (<i>Queens</i>)
Croll	McGrand
Eudes	Pearson
Everett	Quart
Fergusson	Roebuck
Fournier (<i>Madawaska-Restigouche,</i> <i>Deputy Chairman</i>)	Sparrow

(18 Members)

(Quorum 6)

ORDERS OF REFERENCE

Extract from the Minutes of Proceedings of the Senate of Tuesday, October 28, 1969:

"The Honourable Senator Croll moved, seconded by the Honourable Senator Roebuck:

That a Special Committee of the Senate be appointed to investigate and report upon all aspects of poverty in Canada, whether urban, rural, regional or otherwise, to define and elucidate the problem of poverty in Canada, and to recommend appropriate action to ensure the establishment of a more effective structure of remedial measures;

That the Committee have power to engage the services of such counsel, staff and technical advisors as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, and to report from time to time;

That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to sit during sittings and adjournments of the Senate, and to adjourn from place to place;

That the evidence taken on the subject during the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Bélisle, Carter, Cook, Croll, Eudes, Everett, Fergusson, Fournier (*Mada-waska-Restigouche*), Hastings, Inman, Lefrançois, McGrand, Pearson, Quart, Roebuck and Sparrow.

After debate,

In amendment, the Honourable Senator McDonald moved, seconded by the Honourable Senator Burchill, that the motion be not now adopted, but that it be amended by striking out paragraph 4 thereof and substituting therefor the following:—

"That the Committee be authorized to print such papers and evidence from day to day as may be ordered by the Committee, to adjourn from place to place, and notwithstanding Rule 76 (4), to sit during sittings and adjournments of the Senate."

After debate, and—

The question being put on the motion in amendment, it was—
Resolved in the affirmative.

The question being put on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, as amended it was—
Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

Extract from the Minutes of Proceedings of the Senate of Wednesday, October 29, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Connolly (*Halifax North*) and MacDonald (*Queens*) be added to the list of Senators serving on the Special Committee of the Senate appointed to investigate and report all aspects of poverty in Canada; and

That the name of the Honourable Senator Nichol be removed from the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative."

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Edmonton, MONDAY, July 20, 1970.
Public Library Theatre.

Pursuant to adjournment and notice Sub-committee "A" of the Special Senate Committee on Poverty met this day at 9.00 a.m.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Eudes, McGrand, Pearson and Quart. (6)

In attendance: Mr. Charles Askwith, Administrative Officer.

It was proposed by the Honourable Senator McGrand and resolved:

That the report written by the Honourable Senator Carter regarding the activities of Sub-committee "B" in northern Newfoundland and Labrador be placed in the record of the proceedings of the Committee.

The following witnesses were heard:

City of Edmonton Social Service Department: Dr. Ivor Dent, Mayor of the City of Edmonton, Alberta; Mr. D. K. Wass, Superintendent; Mr. Don Milne, Planning Director.

The Monica Society: Mrs. Marie MacDonald, President; Mrs. G. T. Hegerat; Mrs. Joyce Brodeur; Mrs. Germaine Gaumont; Mrs. Lou Hope; Mrs. A. MacDonald; Mrs. Anna Sherman; Mrs. Bernice Dumont; Mrs. Ann Pruss; Mrs. Cecile Larocque; Mrs. Audrey Brockman; Mrs. Mary Kerr; Mrs. Jennie Heintz; Mrs. Ramona Villeneuve.

At 12.10 p.m. the Sub-committee adjourned until 1.30 p.m.

At 1.30 p.m. the Sub-committee resumed.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Eudes, McGrand, Pearson and Quart. (6)

In attendance: Mr. Charles Askwith, Administrative Officer.

The following witnesses were heard:

The Social Planning Council of Edmonton: Mr. J. H. Donahue, President; The Rev. Marc Barrier, O.M.I.; Mrs. G. E. Stacey, Mr. Terry J. Hansen; Mrs. Denise Williams; Mr. Dennis Bartels.

UNIFARM: Mr. Paul Babey, President; Mr. Elmer Allen, Research Economist.

Resource Mobilization for Employment Demonstration Project (Professional Group): Mr. Harland Magnuson, Director; Dr. George Pupfer, Director of Research; Mr. George Diadio, Researcher.

At 5.15 p.m. the Sub-committee adjourned until 7.30 p.m.

At 7.30 p.m. the Sub-committee resumed.

Present: The Honourable Senators: Croll, (*Chairman*); Carter, Eudes, McGrand, Pearson and Quart. (6)

In attendance: Mr. Charles Askwith, Administrative Officer.

The following witnesses were heard:

Resource Mobilization for Employment Demonstration Project (Client Committee): Mr. R. B. Jones, Chairman; Mr. A. C. Hoogewaniuk, Vice-chairman; Mr. R. J. Williams, Chairman of the Action Committee; Mrs. Connie Williams; Mrs. Phyllis Burr; Mr. John Danyluk; Mrs. Pearl Dahlberg.

In attendance: Mr. Allan Dahlberg; Mrs. Laurie Cain; Mr. Robert Pelletier.

Edmonton and District Council of Churches: The Rev. Edward M. Checkland, Chairman, Social Action; Mr. David King, Researcher.

The briefs listed hereunder were ordered to be printed as appendices to these Minutes:

"A"—Brief submitted by The City of Edmonton Social Service Department;

"B"—Brief submitted by the Monica Society;

"C"—Brief submitted by the Edmonton Social Planning Council;

"D"—Brief submitted by UNIFARM;

"E"—Brief submitted by the City of Edmonton Social Service
Special Project (Professional Group);

"F"—Brief submitted by the City of Edmonton Social Service
Special Project (Client Committee);

"G"—Brief submitted by the Edmonton and District Council of Churches.

At 9.30 p.m. Sub-committee "A" adjourned.

ATTEST:

George A. Coderre,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON POVERTY

EVIDENCE

Edmonton, July 20, 1970.

The Special Senate Committee on Poverty met this day at 9 a.m.

Senator David A. Croll (Chairman) in the Chair.

The Chairman: I will call the meeting to order. This is a subcommittee meeting of the Special Senate Committee on Poverty.

The members present are: Senator Josie Quart of Quebec, Senator Arthur M. Pearson of Saskatchewan, Senator Raymond Eudes of Quebec, Senator Chesley W. Carter of Newfoundland, and Senator Fred A. McGrand of New Brunswick. The committee is broken into two groups. One group is sitting in Calgary and will join us tomorrow. We are sitting here today and tomorrow and will finish tomorrow evening.

The Special Senate Committee on Poverty was created in April of 1969, and Alberta is the seventh province that we are visiting. Then we will go north for a couple of days. We have had about 112 briefs from organizations and concerned bodies, and we have been holding hearings twice weekly in Ottawa.

Parliament is in recess at the present time. We decided that the poverty problem cannot wait. It has waited too long and we are using the time to visit those provinces that we had not previously visited.

I think it should be noted that in coming here we created the personal open forums—certainly on poverty—in going to the people. We did not wait for them to come to us. People are speaking, and we are listening. We are encouraging them to speak, and speak out, honestly, forcefully, competently, and sometimes eloquently. We hope before our hearings finish that poverty-stricken people will not for too long remain part of the problem but, rather, will become part of the solution and will themselves participate in the solution.

We have had excellent response, and we think the time of quiet losers is coming to an end.

There has been some confusion about social services, welfare and poverty, and they are not as closely related as they would appear to be. Social services were measures taken for social security to meet the needs of the needy. Our first social measure in this country was actually in 1908, the Annuities Act; then came 1927 when the Old Age Pension came into force, and subsequently we have had many measures that have been very good in many respects.

But the theory behind the social measures was that they would redistribute wealth. It is unfortunate that in the last 20 years there has been no actual redistribution of wealth. The rich has got richer and the poor have remained poor and become relatively poorer.

The only redistribution we can trace is 2 per cent redistribution which came directly from social payments. That is all. So in that respect the social measures have failed, but only in that respect. Not to say that they are not good or useful or essential. Of course we will need them for the future, but they are not antipoverty measures.

Welfare was originally intended as an emergency measure during the great depression in the thirties. Welfare came and has stayed and is growing and is now a running sore national problem. It is not an anti-poverty measure, but it is basic to poverty as a social security.

Welfare in other countries has become a way of life and it has drawn within the web individuals, families and generations, and today the drug of welfare is far more deadly than pot. It doesn't kill but it cripples for life the living; it saps the will, frustrates by its inadequacy and robs persons of dignity and leads to a mere lingering existence without meaning. It is not what we figure as the Canadian way of life.

I have given you all this to indicate there is a community of poverty which exists in Canada.

In the Province of Alberta we find that the allowance is most generous in all of Canada.

Yet it suffers from some administrative hang-ups. The province works very hard on digging money out of the federal government under the Canada Assistance Act, and it is the wish of the committee that more provinces would do what the Province of Alberta is doing in that respect.

A poverty line was suggested perhaps as a guideline—if that is still a good word to use in this country—by the Economic Council. They indicated that they thought \$1,800 was the amount that should be available for one person; \$3,000 to two persons; and \$600 for every additional member of the family. That was in 1968. Since then there has been a 20 per cent increase in the cost of living, and so that itself becomes less useful than it did. But keeping that in mind as a poverty line, as a measuring rule, the geographic break-down of poverty is something in this order: Atlantic provinces, 15 per cent; Quebec, 30 per cent; Ontario, 25 per cent; Prairie provinces, 20 per cent; British Columbia, 10 per cent. And it is well to note there are more poverty-stricken people in Central Canada, Quebec and Ontario, than there are in the rest of Canada. There are roughly as many poor in Quebec as in Western Canada, and more than in any other single region. There are as many poor in Ontario as in the Atlantic and Pacific provinces together, and more than any other single region except Quebec.

So here we are in this fabulously rich Province of Alberta which has its share of poverty—you are not the richest province in Canada. We have read the briefs, and the briefs go from good to excellent, and we are delighted, Mr. Mayor, that you came before the committee, and perhaps we will take a moment to congratulate you on this lovely centennial building which you have. The fact that the Poverty Committee should come to this place is an indication we can all do much better than we are doing.

Now, Mr. Mayor, I have spoken to you about our mode of conducting the meeting. Will you go right ahead?

His Worship Mayor Ivor Dent, City of Edmonton: Senator Croll, members of the committee, I want to thank you first for allowing me to appear before you this morning. My gratitude is most sincere because personally I am not an expert on poverty, and if such an expert exists I don't know him. You people, I hope, before you finish this, will be the next Canadian experts in this particular area.

I realize that a multiplicity of solutions to problems that you listen to may possibly make being an expert much more difficult than it is for those who have very little knowledge because it appears to me at least in my position that those who know the least, often have the best solutions for problems, or at least they have in their own minds. And it appears as you get to know more and more on the subject the solutions to problems has to take in more and more factors and become more difficult.

I realize the people in this committee are confronted with this problem, and all I can say is, it is good it is yourselves and not myself. I have many of my own.

I shall be brief. Our presentation will be in two parts, but both very short, and then we would welcome questions.

I believe you have the submission of the City of Edmonton. It is my experience usually with people serving on committees such as this that usually you are ahead of people like me in that you have read it more carefully and have done it more recently.

I have two main reasons for appearing here. The first, like you were expressing, senator, is that I would like, too, to see poverty eliminated or at the very least reduced to an irreducible minimum. The second is that I have a proposal that I think will go a long way towards achieving this objective.

In my opinion the resources of this country are not being used effectively in the fight against poverty. This ineffectiveness results from too many cooks spoiling the broth. Millions are voted by one level of government or another to help ease the despair of the poor in this country and yet their despair persists, of, if anything, it grows apace.

Why? The answer lies partially in the phrase "One government or another or private authorities." We have conflicting jurisdictions, mutually exclusive bureaucracies and several brands of red tape all bound up with getting millions of dollars into the hands of the poor, and because of this, much of the money may never get down to them.

Therefore we propose a unitary delivery of services to the poor, and I want to emphasize "unitary delivery." This presupposes placing in the hands of the poor the means to improve their position. Quite frankly, I don't care how this is worked out. Our various levels of government have been known to co-operate with each other on other issues. Let them co-operate on this. Let them first

adopt the philosophy of a unitary delivery of services and then let them work out details on who should contribute what portion of the money to finance such a program.

Such a program is surely not beyond our capabilities. This will require effort, but surely a great deal more effort and brainpower has gone into an array of unco-ordinated and fragmented programming than now confronts the poor. This array leaves many gaps unfilled, and as a practical matter, many of the poor find themselves shunted from one government office to another because doubts hover over jurisdiction.

I might just say at this point that I have said to people at the federal level and people at the provincial level that we are not interested ourselves in empires. If someone else can do the job, if someone else will do the job, then we will be only too happy to leave it to them and not continue to try to do the job ourselves, when in fact we are certain that what we are doing, despite the help we get from other levels of government, is totally inadequate.

The poor I am sure do not care who deals with their needs: the federal government, the province, or the city. We in government, at any level, should not care either. We should pool our resources and offer to the community a single point of contact where they know they will get help.

I know the achieving of such an objective will not be easy. I admit, too, we may never reach the ideal, but surely we can travel along a path towards it and with goodwill go a considerable distance along it.

At first it may be a matter of a pilot project here and there, and Edmonton is ready to be a part of what I might call an intergovernmental guinea pig and to work not only with other levels of government, but those of the private sector who attempt to grapple with the problem as well. But this city cannot be a guinea pig without meaningful federal participation.

We are powerless without federal help, and I would just say at this point that we have started out on a program or at least a study for a program of this sort. We have federal participation. It is tiny. But the point is we have participation from people from the private groups; we have participation from the city; we have participation from various departments of the provincial government; but the participation of the federal government is "We will throw a few shekels into the pot but we see at least to this point no real

need to get into a meaningful consideration or dialogue with you to work out any plan that we may hope to take into the community to solve the problem," and this is what I mean by meaningful participation: if in fact a level of government, or any group, is going to participate, then they have to participate, and when I say participate I mean they have to be people with knowledge and skill and an interest in this participation, and not merely saying "Here are a few dollars. We are picking up our share."

The program we were suggesting can be expanded as experiences came.

Ladies and gentlemen, I have avoided the jargon of the Erudite cadences of the sociologist. We are dealing with plain people, the poor, and they need plain language. I have tried to speak plainly. I do hope I have been able to put my point across, and that in your wisdom you will find some merit in it. I have with me, ladies and gentlemen, Mr. Keith Wass, who is head of our Social Service Department, and with him, Mr. Milne. Mr. Wass is going to follow up in the introductory presentation, with your permission.

Mr. D. K. Wass, Superintendent, Social Service Department: Mr. Chairman, members of the Senate Committee, I am delighted that the mayor was with us this morning. I think this is an indication of the support that the city administration gives to this whole question of social services.

Senator Pearson: Social services, is that a city body or provincial, or what?

Mayor Dent: City. It is a city presentation.

Mr. Wass: In our submission we have focused on questions related to the provision of essential social services. The omission of statistics and data related to poverty in Edmonton was intentional because we believe that we would have little really new to submit in that area, and that this would be a subject matter of several other briefs, particularly those from self-help groups here in Edmonton.

However, we hasten to add that poverty is a fact of life in Edmonton, just as it is in other cities. Some of the particular problems in our area relate to the influx of Indian and Metis families that are seeking a better way of life but are ill-prepared educationally and socially for urban life.

The rural urban migration and seasonal nature in some areas of employment and the lack of sufficient education and training have

handicapped many individuals in our increasingly technical society.

This afternoon another group of our staff are presenting a brief relating to a special demonstration project where we are attempting to assist unemployed men back into the economic mainstream.

I hope, Mr. Chairman, this may be some indication welfare administration does not have to be as you have depicted it, as a trap that sucks people in. It does not have to be this way; I think in this project we try to show that it is not.

Now again because this group are coming in, we have only made passing reference to social assistance which we also administer, and the need for the unemployed and the poor to have their financial needs met in a manner that preserves their dignity and feelings of self-worth. We believe there is need for flexibility in financial assistance programs and the ability to reward effort and provide incentive to those who strive to improve their position.

I wonder if this flexibility might be most effectively provided on a local basis related to rehabilitation, and as a supplement to broad assistance programs or guaranteed annual income if it comes into being.

In 1966 Alberta passed the Preventive Social Service Act. This legislation, linked in with the Canada Assistance Plan has enabled the municipality, through its own services or through the purchase from private agencies, to support and extend essential social services and strengthen and enhance family life.

Some areas of service strengthened are day care services, with particular reference to sole-support mothers and low-income families; homemaker and home help services; family life education; volunteer services; information and referral services. Also there has been some emphasis on area-based community service units aimed at meeting local needs related to short-term counselling group program and drop-in centres, and trying to mobilize local resources in the area. A school readiness centre and community psychiatric service.

In all these programs heavy involvement of volunteer and clients has been sought. We believe that a range of such services is essential in all our large urban centres, and that increasing financial resources under existing legislation is essential for their development.

We believe the terms for the federal participation under the Canada Assistance Plan

should be broadened so that some programs such as family life education and community service units could be included, whereas at this point they are exempted from federal sharing.

The area of effective planning for social services has long been neglected. Locally-based social planning units need to be established with sufficient power and influence to effect policy and program. Such local social planning units must be interrelated with provincial and federal planning so that an effective range of service evolves rather than the present fragmented system.

I believe, Mr. Chairman, I would terminate at this point and be glad to speak to any of the points in our brief.

Senator Carter: I would like to express my appreciation of this brief, the particular briefs that I have read from Edmonton, because you seem to be searching for a new philosophy which I think is needed.

If I understood Mayor Dent correctly, he said that federal aid in this pilot project that they have been working on has been very tiny. I would like to have him elaborate on that. How did the federal get into it at all? And if the federal is in it, how come it is not under the Canada Assistance Plan which will provide up to 50 per cent?

Mayor Dent: Let me explain it first. I am sorry. I may have said it incorrectly. I am in no way faulting the federal government for the amount of assistance.

I did say that what we are asking for is a very tiny amount. This is because we feel that we need for the study for a pilot project only a tiny amount. And my concern over the federal government's participation is not the amount of money (I want to make that eminently clear); the amount of money they were asked to give, they gave, and I will have to allow you to check out the source of the money elsewhere because I am not quite certain myself. The amount we are talking about is only \$5,000, and that was all we asked for.

However, my concern has been that we started this study, looking at this problem to see if we couldn't come up with something new three years ago, and although the federal government has been as generous with money as we have asked them to be, as far as any participation of brainpower or involvement is concerned, it has been totally inadequate. And that is my complaint. That if in fact we are going to concern ourselves with the poverty problem in this country, and if in one

place we have got the representatives of the private sector, representatives of the city, representatives of the province, all together, to sit down and say, "All right, let's take a concerted look," then knowing how difficult this task was, it appears to me that those involved and concerned with poverty in Ottawa should, too, be willing to come in a meaningful way and join us—and this is what we said—at least in the direction of the expenditure of the \$15,000 that we are expending on this study for a possible pilot project. And, Mr. Chairman, if I may elaborate, here is our concern: more and more people and more and more money it appears goes towards the solution of social ills one way or another, whether it is poverty or other type. And despite this, with the fragmentation that we approach social problems with, it appears to me that less and less is actually getting done, and that in fact the problem in a society such as ours is growing instead of shrinking, and I believe if we get together we can at least consider how to shrink it.

Senator Carter: Well, I thank the mayor for elaborating on that. I obviously misunderstood what he had said.

Mayor Dent: My fault, sir.

Senator Carter: But you did mention the phrase, and I wrote down the words, "powerless without federal help"; that nothing much is going to in Ottawa, each of which in one way or another is concerned with the social ills of society; each of which has in this city some personnel either steadily or coming in, and each dealing with things that if they were working together and delivering their services themselves from one delivery place or one delivery authority, even the federal government could very meaningfully improve what it does to assist with the ills of society.

Indians are separated from the unemployed and the veterans' families that are suffering some way or another are separated from those who have health problems. And in discussing this with this group of nine representatives from the federal government, it appeared to me that not only were they not together, but it appeared to me that they had damned little desire to be together as far as an approach to this problem was concerned. I don't know whether this is correct or not, but some of them told me on the Q.T. that it was the first time they had met one another.

Now, we have this, don't we, at a provincial level, but to a lesser degree because it is

smaller so we don't have it magnified to that extent. We have it even at the civic level. But once again it is lesser because we are smaller and we can be better co-ordinated between departments. We have great multiplicity in private agencies that are involved in this with loose patterns of agreement on getting together.

When you take a look at it, the approach is fragmented, and there is no way we can solve a major problem by each one of us taking a peashooter and shooting it, and that is what we are doing.

You mentioned in your introductory remarks this morning the need for unitary delivery of services, and you mentioned it also in your brief. In your brief you go a little further, and you suggest that the instrument to do this is some sort of corporation. Am I correct in interpreting your brief in that way?

Mayor Dent: Mr. Chairman and senators, yes, you are.

However, I want to make this entirely clear: we have that real participation from the private sector and from the city, from the province, and money from the federal government, and a group studying this problem in the city now that we have hired from Toronto, leisure consultants, and if they tell us and other experts in the field tell us we are wrong, we are not married to a concept ahead of time. Therefore should they point a direction that does not involve such a preparation, then we will draw back and follow their advice.

In other words, in our thinking to begin with we thought this might be a good way. We still, as far as we have looked, think it may be. However, we are quite willing to draw back should it be indicated this is not the right approach, but call it a corporation or what you like, one authority to deal with problems.

Senator Carter: One instrument. You cannot have a unitary delivery of services without some agency for doing it.

Mayor Dent: Right.

Senator Carter: And it is not a matter of what you call it, but regardless of that you are going to have some agency. And what puzzled me when I read your brief, how would you draw all these nine federal authorities that you mentioned when you were up to Ottawa, plus the other agencies at the provincial level and municipal level,

how would you draw these all together for an input into this corporation or this instrument or agency, whatever you want to call it, and what would be the relationship of such an agency to the provincial government?

Mayor Dent: Well, what we have done to date is each of the departments of the province that are presently concerned with the problem have been sending to our—we called it the mayor's—committee meetings, representatives, ministers or deputy ministers; the city has been sending representatives from the departments that are involved here, and the private sector has been sending representatives as well.

We think we have made tremendous strides. They may appear very small, but they are tremendous according to what we have had. We feel if we can get together and agree, as we did here, then if we can get representatives from other levels of government, and set up a board then that would direct this agency and the agency would in fact deliver all of the services that are presently being delivered if they are needed, which means in all probability you could drop some. But we could add possibly some of the positive services that are necessary if in fact we are going to grapple with this problem.

I was going to mention two school boards were represented on this committee as well. In other words, we have had an excellent experience in that we have gotten the kind of input that you look for. We got agreement at these levels, but my point is, only in the one area of government. I think it can work, and from the small experience we have had so far I think it can work excellently.

Senator Carter: I would like to be clear on this point: this one agency that is going to provide unitary delivery of services, would that be one agency for a province or one agency for a municipality, one agency for every city, or would this agency have branches? How would this agency operate throughout the province? You have to split it up somewhere.

Mayor Dent: That is right. We haven't gone beyond the pilot project. We felt what is necessary is a pilot project. We say this: when we get finished with our pilot project the thing may be no good whatsoever and it might fall flat on its face, but at least we will have tried in the field where trying to do something different has seemed to be forgotten entirely.

Senator Carter: Your present pilot project; is it working along these lines?

Mayor Dent: Yes.

The Chairman: Yes. He covers it in paragraph 9 of the brief.

Senator Carter: Yes, but he mentioned the Metis and Indians and veterans. Is your pilot project occupying itself with these groups just now?

Mayor Dent: What we would do is, we would take an area in the city that is identified, and it would deal with all the problems of this sort in that area, and that is the only step we want to go because should we find that this is useless, we would hope others would get some ideas on another pilot project.

Senator Carter: Just one more question: I do not quite get what Mr. Wass said, but he mentioned something about the family service planning or some service he mentioned, and then you said it was exempt from federal assistance.

The Chairman: Family life education. He made the same mistake that others had been making. If he had used "Manpower" or something like that he would get away with it, but he used the wrong word, and we wise them up on these things. You remember we got the same thing from others.

Senator Carter: Oh, yes.

Senator Pearson: Talking about the Indian and Metis migrating to the cities nowadays, I would like to suggest this: during the 1930's when there was a tremendous problem on the hands of everybody who could not make a living particularly in the country, rural people, there was a problem there, and there was no money in the municipality to support them, so these people saved every dollar they could find for a year, and the ruling was then they could move into another municipality which had sufficient funds apparently to support them.

Now I know this happened in Regina and I know a great many farmers who saved money up for that year, walked out in the dead of night and left all their bills behind them, and they had nothing to do except to live in the city somehow or other for one year and then they were able to draw relief from the city in some form or another.

Now it seems to me this is a problem you have got on your hands today with Indians

and Metis. There is no money in the rural areas for these Indians and Metis and they have found there is a certain amount of money or living conditions in the city and they are moving in there.

Do you find it is a problem that you are drawing these people in here in spite of this? It is not a place for them but they are coming in here because it is a chance to live.

Mayor Dent: Mr. Chairman, Senator Pearson, I have this to say on that: there is a process of urbanization going on all over this world, and we have moved into a country here and the Indians are accepting our type of civilization and our type of civilization seems to involve jungling-up in urban societies, and so therefore we get the Indian and Metis coming in.

However, the Indian and Metis are no greater problem to us actually than many others who are following the same process, and I cannot really see that we can solve the problem by saying to one group in society, well, you stay out, and you try to make it in a rural setting, at the same time that the vast number of people who are white, and others, are saying not only here in this country but all over the world, that they are not making it in the rural setting because of automation in the rural setting and therefore they are moving to the city.

That is happening here, and that it is happening with Indians and Metis, as far as I am concerned, makes no difference. You can't say to that group "Stay out of the city" while all the rest move in.

What we have to concern ourselves with is what to do with them when they arrive. I believe that we do now in a fragmented, disjointed way attempt to do something for them.

If, for one generation, Canadians would say that we are going to take positive steps and we are going to work with these people, all people who are disadvantaged, and we are going to give them not something that is too little and too late, but give their children particularly the training that is necessary to live in this modern world, we would take a giant step towards elimination of poverty with which we are concerned.

Senator Pearson: Do you not think the Indian and Metis in the rural area where they live at the present time, do you not think they would prefer to stay there in their own community and avoid the city?

Mayor Dent: I think this would be true of the older generation. It appears to me that young people want to be where the action is, as they would say, and the action is around the bright lights. It is where the economic action is, too, and therefore there is a tendency for the young Indian and Metis to be like our own young and say we want to be here where there are educational opportunities and cultural interests and excitement. So therefore the tendency with the young Indian and Metis is much the same as our own young people, and I do not think we are going to change it.

The Chairman: I think, Mr. Mayor, it is well to point out, and perhaps Senator Pearson is listening, actually in the Province of Alberta, the Metis receives a greater allowance outside Edmonton than he will receive in the City of Edmonton. The Edmonton allowance is lower than the provincial allowance. I was going to ask the mayor why, and now that you have opened it, it puzzles me, I think perhaps I have got your answer as to what you are trying to do in Edmonton. Is that the right answer?

Mr. Wass: As to why our rates are different?

The Chairman: Yes.

Mr. Wass: We have for the most part adopted and followed provincial social allowance rates. They have one or two allowances that they gave to long-term assistance families that we did not place in our shorter-term assistance scales.

In the same way, the province did not grant these extra allowances to their short-term, so-called employable unemployed, so I think that basically we have the same assistance scale as the province with the difference that the provincial department has a little higher allowance in some categories for long-term assistance.

The Chairman: You are not alone in this. Saskatchewan does the very same thing between the north and the south, I think I know the reason why you are doing it. I am prepared to accept what you say. The senators are very understanding in that respect.

Mayor Dent: Mr. Wass is saying it is not geographical this difference that he is explaining.

The Chairman: I am speaking of the difference in Saskatchewan.

Senator Pearson: I am very much interested in your brief, and the idea of fragmentation of services, I think you have hit upon something there that is really needed in this country. Just to follow along that line, you said there were nine different bodies in Ottawa that seem to be dealing with this subject of social services or poverty or such like.

Could you give us any idea how many agencies there are under the provincial government here in Alberta, and then how many agencies there are, private and municipal, in the City of Edmonton?

Mayor Dent: Well, sir, I would say that I will allow the provincial representative to answer that this afternoon should you ask him. However, there would probably be three or four departments one way or another that deal with people who are, in one way or another, disadvantaged.

First, that is the province. The City, I suppose we would have health, welfare and the police department. That is three. So within the city—I wouldn't begin to guess. I think probably with your experience here you would know in a community better than I how many organizations would be involved.

But the point I was in fact attempting to make was that we were able to all sit down together and have really meaningful discussions and come up with what I consider to be a meaningful idea, and I think that although fragmentation exists even within our own jurisdiction, that there is no reason to have its evils persist.

And we have agreed in a second area. As a matter of fact, the same concern with the drug problem. We have gotten together with members of the provincial government, representatives from the city, from the private organizations, again. In other words, we followed our path twice and once again we attempted to get at least a coordinated approach to the particular social problem, and once again after we had sort of looked at society and seen what was going on without, to my knowledge, anybody talking to anybody, the federal government threw open the armory and said, "Here, fellows, we are going to do this," without working with the people in the community who had begun the type of co-ordination which I begged the Howard Society to think about, and this is one of the reasons I would imagine why Mayor Campbell is so fired up at the moment. It is thrust upon him with no dialogue whatever.

Senator Quart: Along these lines of your various agencies, and to follow up a suggestion which I think agrees with what Senator Carter said earlier, a co-ordinating council would seem to be the answer, I suppose with each of the different government levels sort of paying in to the upkeep, maybe, but with complete independence. I think it must be very, very frustrating for a poor person to go around, and I have said this many times, that I would love to dress up and go around and see what I could come up with because I am sure the agencies and I am sure the federal, provincial and municipal people are all very conscious of it—and I don't think you do it purposely—but I think on the other hand by the time the poor person gets around to find out what advantages could be drawn, or help and so on and so forth, they become so discouraged that they sort of remain quiet and starve for a couple of months anyway.

Now that may be a very uncharitable thing to say, but I wonder if it is not almost true. You ask a poor person where do you go for this and where do you go for that, so it seems to me that all these agencies and the different government levels getting into the deal, the poor person is still frustrated because, as you said, Mr. Mayor, and I thoroughly agree with your expression, they are shunted from post to pillar, and if they do not die from frustration they are pretty tough.

Mayor Dent: I don't know how to respond to that if it is a question that I agree with everything you say.

Senator McGrand: I have several questions. Now going back to the Metis, what success are you having in the control of poverty among the Metis? How many of them do you have in Northern Alberta who have a tendency to come here to the bright lights? When they come to seek the benefits of the bright lights, as you have mentioned, do they stay segregated as a group within the city, or do they tend to integrate with the other people who are trying to obtain the affluency of the bright lights of Edmonton, and the prosperity? Do they remain segregated or do they integrate?

Mr. Wass: Mr. Chairman, Senator McGrand, I am not sure of the specifics there. I do not know of anyone that can really give us any close figures of numbers who are coming to the city, I don't even have the figures of the total population north of us that are in this area, but we are certainly aware

that this is a growing phenomenon, that more and more are coming in.

There must be certain areas of the city that they get housing a little more often. I don't really think we have any real ghettos of this kind. I think they often face real difficulty, just as many families coming into the city are facing difficulty renting at a price they can afford.

We have a friendship centre established. I think many of them get help there. So I think they are settling in and widely settled around the city in many different areas.

I think many of them have adjustment problems, but perhaps we could over-emphasize because I think many of them are settling in and making a good adjustment in the city.

Senator McGrand: The mayor mentioned this urbanization is going on world over, and you are only having your share here of it in Edmonton, and probably having a little more than your share because of the great development that is here in Northern Alberta.

Do you have many people from the Maritimes who come here and find life very difficult? Do you find many, in your problems with poverty, many Maritimers, or do they all stop at Toronto?

Mr. Wass: I think we certainly have some, but I think not a great number, and I think, again, the majority that come get settled in.

Senator McGrand: Now, Senator Carter referred to your pilot project. I look at a pilot project as sort of something you use, an expression, you try it on for size to see how it works. Is that right?

Now if you had enough of pilot projects carried out at the civic and the provincial level of government, and with private groups, is it possible to evince development, a department at the provincial level, to work in the field of poverty to administer problems of poverty the same as derive to day in the field of education and in health?

What I mean is, you try these pilot projects and you find you are successful. Would you continue with that project, and finally you get enough pilot projects successful that you can put them together into a framework of a policy to be administered at the provincial level the same as they have educational problems and health problems?

Mayor Dent: Sir, I would like to say this: I do not think the idea of a pilot project is in fact to put in one and then another and then

more. You are trying pilot projects, and if it works and it works well, then you expand, and in this way you change what you have. But I must emphasize because I feel in your question (and maybe I am reading something in it that I should not) that you want to have the federal government out.

Senator McGrand: Oh, no, no. I mean it would be administered at the provincial level, but I should have said with federal assistance.

Mayor Dent: Yes. I am trying to make a plea here—realizing, too, that you people are all from Ottawa—that it is more than money, and that is the fact that a kind of assistance also be a meaningful input of knowledge.

The Chairman: I thought the country was pretty well satisfied that there was a lack of brains in Ottawa.

Mayor Dent: Let's say this: they hide themselves well.

Senator McGrand: You did not quite answer my question, and what I am groping for, anything in the field of education or anything in the field of health, as you develop it from practically nothing to something worthwhile, it was done by trying a project here and project there and eliminating the weak and continuing with the stronger project until finally you get something, a framework, that covered that problem.

Now there is no mistake about it that this question of poverty is today a national problem. There is no question about the pockets of poverty. It is poverty that is national in scope, and it has got to be treated as national in scope. It is a national issue. That is why I think this old approach that it is something you fix up here and fix up there basically has got to be abandoned, and some department, perhaps of government, at the provincial level with federal assistance, will undertake a program for the elimination of poverty. That is what I had in mind.

Mayor Dent: Now that I understand you, I think by way of explanation I agree with what you are saying, and what we are suggesting actually in our pilot project is an experiment which can be replicated elsewhere if it works, and therefore I can only say I believe that this is correct, that it is a national problem, and all that we want to do is to suggest that we work out a legitimate means of handling the problem and go into the problem of poverty, the disadvantaged, in a positive rather than a negative way.

Senator Carier: Before you follow it up, would you alleviate the mayor's anxieties, that because we are from Ottawa we are not Ottawa-oriented?

The Chairman: That is exactly what I was getting at. The committee represents every province, and the only place it was loaded from was Newfoundland. We have two representatives from there.

Let me tell you what the thinking of the committee is. We are thinking in terms of income from the federal government, services from the provincial government, delivery under the Canada Assistance Act which is to be an umbrella for everything with the possible exception of unemployment insurance and the Canada Pension Plan.

That does not make us regional Canadians in that thinking, I am sure you will agree. I cannot ask Mr. Wass that question because I do not think it is a question for him. He may say that it is too political for him. But it is not really a political question. That is our thinking. What do you think about that?

Mayor Dent: I would rather you elaborate a little further in your thinking.

The Chairman: We think the Canada Assistance Act is a very good Act and has a good method of delivery with possible amendments here and there. We were thinking in terms, as I say, that the income should come from the federal government—that is where the responsibility lies under the Constitution—and we think services should come from the provincial government, whatever arrangement they make, and the method of delivery. That is our thinking. What do you think of that, whatever we decide on it?

Mr. Wass: I would like to take a swing at it.

The Chairman: Sure. Go ahead.

Mr. Wass: I think as far as you have gone it is fine, but I would hope within provinces they are going to do some delegating down to the local area.

The Chairman: We are not running the provinces. We are not suggesting for a moment that the province run the welfare scheme. That is not our suggestion at all. We are talking broadly: income, service, method of delivery. Now you punch holes in that.

Mr. Wass: No, I don't choose to punch holes in that. I think that sounds very sound to me. It is just that at the local level we have got to

have flexibility and involvement of citizens in this program.

The Chairman: No one is denying that.

Mr. Wass: I was hoping you went a little further.

The Chairman: Then we would be telling the provinces how to run their departments.

Mr. Wass: Right.

The Chairman: Which we are not doing, and it is none of our business. But the principle, we are talking about getting some coordinated body to do it.

Our experience in giving this thought is the Canada Assistance Act has all that possibility in it, and everything could come under that umbrella. We are thinking in terms of cutting out dozens and dozens of services so it is merely an umbrella and not a tent.

How the province does it is another thing, but that is not for us to say. What do you think of that in general terms?

Mayor Dent: I think generally, sir, this is in some measure coordinated or co-ordination of what is going on or what we are attempting to do, and I think that this is one of the answers to the problem, that we actually get into the situation where you almost have to have a government or socially approved type of poverty or else you are actually left out.

I guess you can't always fit whatever your problem is into a mould, and therefore anything that cuts down the fragmentation of delivery or the way that we deal with these problems I think is important.

I think what we are discussing with you, of course, is the one part, the services, and in fact we have not really made a great contribution as far as income from the Federal Government is concerned.

The Chairman: What do you mean?

Mayor Dent: Well, I mean we have ignored that portion of your comment and what our brief is involved with is more delivery.

The Chairman: That federal aspect does not concern us. All they are doing, the federal, is they are giving you money. That is essential, but all the money in the world, you are not going to solve this problem unless you have services. We know that.

Senator McGrand: What percentage of people in Edmonton and Northern Alberta—when I think of Edmonton I think of this

area. I think of Edmonton and Northern Alberta. What percentage of the people are below what we call the poverty line?

Mayor Dent: I am sorry, Mr. Chairman, we cannot answer.

Senator McGrand: Would you have it in Edmonton?

Mayor Dent: No.

Senator McGrand: How many people in Edmonton do you have on welfare? What percentage?

The Chairman: It is 12 per cent. You can correct me, but these are our own research figures.

Mr. Wass: I would accept your research figure. Because a fragmented program between the province and the city we don't have it.

Senator McGrand: Going back to Northern Alberta again, and your Indian and Metis, when you think of development of resources of Alberta you think of oil and gas. That is the way I look at it, but there must be others.

What is there in the way of natural resources, sort of resources in their area that could be developed that would provide these people with a livelihood—perhaps not as good as they would get in Edmonton, but at least good enough that they would stay home.

You know there are people in Newfoundland and in New Brunswick and in Nova Scotia who go to Toronto or places like that, or maybe Edmonton and Calgary, that try for awhile, but they are satisfied to go back home and take a little less because it goes farther.

I was just thinking that if these people have the resources—they may not have the resources—but if they have resources in their area of development they would not be so anxious to come in here even for the bright lights.

Mayor Dent: Well, Mr. Chairman, Senator, I believe this question should rightfully be asked of the Provincial Government.

I think most of the industries of any magnitude that grow up outside of Edmonton are of the extractive industries.

I know the Provincial Government is thinking recently in terms of attempting to bolster up by encouraging industry in smaller centres, the industry there, and to attempt to de-centralize in some measure. However, I think you still have the problem, and the

problem is more than economic, and the fact that London and Tokyo and New York and other cities of the world continue to grow, then it is more than economics. It is the feeling of need. It seems almost in our generation and the coming generation to live closer together.

I think we can do things to stop this and maybe another generation will stop it, but it seems to me that the process of urbanization is quite universal for our generation, and I think we had better learn to deal with it till the people come.

The Chairman: As I indicated we read your brief and, by the way, I neglected to pay you the deserved compliment for developing Edmonton's human resources. I notice you were a member of the committee as alderman and now you are mayor. But in the brief there is a theme which says in effect you are allowing \$25 earnings and deductions after that for single women and other people. I started out by saying—I think that is true—that Alberta is the most generous province. Ontario allows \$40 before making deductions. I cannot think of any good reason why you should allow \$25 when they can allow \$40. Really \$25, we have found is very low.

Mr. Wass: I agree, Mr. Chairman. I would not try to defend that deduction. I think there is consideration of changing that, and in certain cases there is a change already where there is a rehabilitation plan.

The Chairman: What are you purchasing in the way of volunteer organizations? You talk about purchase. What do you purchase? Day care?

Mr. Wass: Day care, homemakers service, family life, education.

The Chairman: Meals on wheels?

Mr. Wass: Meals on wheels.

The Chairman: When you say "purchasing," what do you mean, on the basis of so much a meal? For instance, the meals on wheels, so much a meal, and day care so much a child?

Mr. Wass: It varies with the project, Mr. Chairman. Some of them submit over our budgets, and these are reviewed and the budget is approved which basically underwrites the program.

In other cases it is a fee basis. Day care is a fee basis, but there is a sliding scale charged

to the parents. But they mainly give support to the lower income families, sole support mothers, so that this is usually a minimum fee, and that others, in a preventive program, we pick up the balance to support the day care operation.

The Chairman: You know most of these things come in under the Canada Assistance Act?

Mr. Wass: Right. The province looks after that. They reimburse us 80 per cent.

The Chairman: I said they were very good. Of course there is one great advantage in facing up to the federal Government. All you say to them, "Dollar for dollar we will match you." All provinces cannot do that.

Senator Pearson: Do you have any difficulties with the province at all in helping you?

Mr. Wass: I think, Senator, we have excellent relations with the province in regard to a preventive program. We are hopeful, and I know other areas of the province are that they will continue to expand allocation of monies to this program because it is fairly limited at this point.

The Chairman: The staff tell us or told me that the most imaginative use of the Canada Assistance Act is in Alberta.

Senator Pearson: I just wanted to have it on record.

The Chairman: In fairness, let us say it to them and encourage them to do more than they are doing.

Mr. Milne: I just wanted to emphasize the preventive dimension of our operations, and point out that one of the reasons that one of the recommendations placed before you was so placed is that the Canada Assistance Plan has tended to require a definition of need prior to the provision of assistance.

Our suggestion is there are many families that are not yet definable in those terms that need some further services, and in fact it provides an excellent preventive to provide services to them prior to the point at which they have need, and we would look for some broadening of the interpretation of the section dealing with those likely to become in need.

The Chairman: You have raised the point there.

Senator Carter: That is the question I was going to ask.

The Chairman: There is a real point there. Need can be defined as broadly as possible by any province. What you are saying it is in effect is "likely to be in need." Does that include human need?

Senator Carter: That is tied in with their theory of flexibility and giving authority to the social worker on the spot because she makes all these decisions.

The Chairman: Yes, but the question I ask is there likely to be any need? Does that include the Chairman and Mr. Milne? You see where are we when we talk "likely to be in need"? It is limitless then, isn't it?

Senator Carter: Yes. I think you have to put limits to it, but I think we know what they are talking about. On the verge. On the borderline.

The Chairman: A good point, very important to us.

Senator Carter: I would like to ask two short questions. You mentioned this preventive social service act and I gathered then you mentioned day care, family services—a whole lot of services which seem to be funded under this family service.

The Chairman: Purchased.

Senator Carter: Yes. Apparently this preventive social service act—is there a limit to funds? How are funds disbursed under this Act?

Mr. Wass: Yes, there is a limit to funds. The province has a budget, and of course the city would have a budget as well. They have been gradually expanding the amount of money of this program, and each area of the province submit projects, and eventually they run out of money and they let you know there is no point in submitting any further projects until next year.

Senator Carter: Yes.

Mr. Wass: So it is a project submission to the province until provincial allocation for a program.

Senator Carter: Yes, so much for each year.

Mr. Wass: Yes.

Senator Carter: But my other question is, coming back to these nine agencies up in Ottawa and the necessity for them to get together at least to talk to one another and know what is going on and not only that, but

have somebody so that provincial people and municipal people could talk to them.

I would like to get your reactions to the idea of a council somewhat like was set up I think for Consumer Services.

The Chairman: Like the Economic Council of Canada?

Senator Carter: Yes.

The Chairman: The Social Council of Canada.

Senator Carter: Yes. I have difficulty with your project because your project is based on the existence of this thing which does not exist really. You are talking about input and dialogue and all the rest of it, and this means without some coordinating agency at the federal level which can talk to the coordinating agency at the other level—

The Chairman: Isn't that for us? Isn't that something we have to consider, the idea of having some body, some economic body to review and assess the social atmosphere and social acts from year to year?

Senator Carter: Yes, but I would like to get his reaction.

Mayor Dent: Mr. Chairman, Senators, we have at least gotten from three areas people who are agreed this panel shall exist. As a matter of fact we are going to go with this whether the Federal Government participates or not.

We, however, realize that it cannot truly be a pilot project if we cannot really get input from all of the agencies, but if we can get it from the Federal Government we are determined we are going to attempt to approach this problem in some way that is new and different.

Senator Quart: Regarding your emergency homemaker service, which is a short term help for these families, for that you charge a small fee I suppose?

Mr. Milne: Geared to income.

Senator Quart: Now your family aid service, that is free, is it not?

Mr. Milne: That is correct.

Senator Quart: I note here in your brief and I was very impressed and I think maybe you are the only group that we have had before us that indicated the name—and I think it is a wonderful name—leisure consult-

ants. I did hear it over the radio this morning, "Leisure" for "unemployment". I think that is quite an imaginative word.

On the other hand, I notice here where you mention in your brief what you call purchasing, which is rather a new term, I think, too, as far as I am concerned.

Would these purchasing arrangements you have with these agencies be with the volunteer groups or are they also agencies which funds have been provided for or volunteers? I notice that you mention on a team basis with social worker.

Mr. Milne: Funding arrangements we have under the preventive social service program exists with agencies that were already structured and also provided by the formation of citizens' groups who wish to carry out certain types of programs. We have funding arrangements for that type of group.

We have also funding arrangements with informally structured groups of citizens. As long as they have sufficient formal structure in terms of responsible officers and constitution we will consider some funding arrangements with them.

Senator Quart: Does it work satisfactorily with social workers? There is not any sort of jealousy between the volunteers?

Mr. Milne: In respect to these family aid service which is the point you are discussing, the service originally developed within the social service department related to this in respect of social assistance, and it has been gradually broadened to cover other situations in the community and is now available on the same basis to all types of agencies in the community of referral.

Where there is a person already involved, bearing in mind that this service was set up to assist those whose level of family functioning was not what it should be, generally speaking the initial point of contact has been through a social agency, and we feel it is an important aspect of this service that the family aid and the social worker work together in a combined relationship rather than having two people going in independently and trying to assist the individual.

Senator Quart: I note with great interest this team work has provided incentive for group programs which are friendship groups, as you call them, and I think that should be very valuable.

Mr. Wass: I would like to think, Senator, that we are moving away from lack of dialogue between volunteers, indigenous client people and social workers. They could do many things that social workers cannot do, and I think we need a real team approach here, and I think in many areas in Edmonton we are working on that.

Senator Quart: I think that is excellent. I realize social workers must become very—I don't know whether I should say frustrated or annoyed with a volunteer who doesn't know too much about it, but I think if you gave them a chance they would like to swing into action again for this area of poverty.

Mr. Milne: May I point out that contrary to widely-held opinion, the experience in Edmonton has shown it is possible to have effective partnership between volunteer and government departments.

In our Glengarry Centre that was referred to in our brief we have several hundred volunteers involved.

The Chairman: That concludes our hearing on behalf of the committee, Mr. Mayor. I want to tell you how helpful you were this morning in the statements you made to the committee; perhaps more than you can appreciate.

We thank you for the courtesy of coming. We thank Mr. Milne and Mr. Wass for appearing but what is more important to us is the fact that this subject is not new to you. You have had a long-time interest in it and you have had deep concern. We have heard from many witnesses and we feel that you have a knowledge and awareness that is very useful in times such as this.

On behalf of the committee I thank you.

Mayor Dent: Thank you, Senator Croll and members of the committee. If I may, I would like to say our thanks on behalf of Mr. Wass and Mr. Milne and myself for the cordial and extremely knowledgeable hearing.

One of the things that concerns us most is whether the people who are looking at things really in fact have the depth of understanding of the problem that is required to say, when they finish, "Here at least are some of the answers." I personally judge this to be so by the questions that I was asked, and I just want you to know, sir, and members of the

committee, that I think we can expect certainly a high final exam mark from this committee.

Thank you very much.

The Chairman: Our second brief today is from the Monica Society. On my right is Mrs. Marie MacDonald, and behind me and Mrs. MacDonald are the lovely ladies who are part of the delegation and members of the Society.

Mrs. MacDonald will make a short statement and then we will start on the questioning. Go ahead, Mrs. MacDonald.

Mrs. Marie MacDonald, President, the Monica Society: Thank you, Mr. Chairman. Senators, ladies and gentlemen, the Monica Society of Edmonton is a group of approximately 350 widows, separated and divorced women, and we welcome this opportunity to put before the Senate Committee our views on the important subject of poverty in Canada today.

The Senate Committee asked us for our views on poverty as it exists, social, psychological, political and cultural, which we feel are the main issues, and the end result is economic poverty.

Now, poverty as it exists in the lives of the Monicas, as we see it, is in four basic categories. One is loneliness, being unable to share things; being unable to share love; being unable to share responsibilities of the children, financial, economic and so on, and being unable to share experiences. This is very difficult in our lives.

The second thing we feel is important is the rejection by society. Everyone is sensitive to rejection, but many of us have had one serious rejection in our lives already and therefore we are very sensitive to it. Rejection in social gatherings, rejection by landlords when we apply for rental privileges; rejection by department stores when we apply for credit. Various means of rejections by society.

We feel there is a very serious void in the home with the absence of a father and husband. The children suffer because they do not have the male image. Our boys and girls are the adults of tomorrow and they do not know what to pattern their lives after. The boys don't know what is expected of a husband and father.

The girls don't know what to look for in a husband because in their home atmosphere

mother is the main person, and this is not a true family situation.

We also feel that there is an inadequate system of legal aid. The present court system does not deal adequately with family problems. In the Province of Alberta there is a Family Court which is as adequate as possible and is doing a wonderful job except it is limited in its administration. We feel you have to jump from one court to another in order to get family problems straightened out.

Now, we have ideas and recommendations on solutions for the poverty problems as they exist in our lives, and for the first one, for loneliness, we are asking that you help us to develop personal growth in the individual.

This can be done in various ways. Professional counselling, personal development programs, educational and recreational facilities, and then encouragement and opportunity to attend these.

Day care centres so that mothers can go out to work without costing too much, and the security of knowing the family is being cared for.

The additional earning stimulation. Many of these women would like to keep contact with the business world, but this opportunity is stunted because those on welfare are not permitted to earn more than \$25 a month, and this is not fair to the personal development of this individual. She should be encouraged to be eventually self-sufficient, and if she loses all contact with the business world, when the time comes and the family is grown, she is unable to do so.

The rejection by society: we appreciate and thank God for the many services that are available, and we are aware of them as most of society is.

We are also aware of the abuses of services that are available, and these are the things you hear about in society. You hear about people on welfare in the beer parlours, you hear about them taking taxis, and so on, and this is true, but they are in the minority.

Don't forget if you lacked self-confidence and the world seemed to be closing in around you and you were so worried or despondent, maybe you would take a taxi to the beer parlour too.

Society must be made aware of the individual and a sincere Christian acceptance must be extended by the community, by the agencies governing these poor people, and the combined governing bodies.

Discrimination must be eliminated. Department stores must be made aware of the fact that these women should be permitted an opportunity to establish their own credit.

Landlords should not be permitted to say if you are a widow or separated or divorced you can't rent a place in my building.

Property taxes: during the difficult years of raising a young family, recuperating from the shock that the world has fallen apart, struggling to make ends meet on a woman's salary, couldn't her taxes be re-assessed? Must she also contribute through her taxes to welfare when she is trying so hard not to be on welfare herself?

And the income tax, is it absolutely necessary for a woman receiving alimony—the husband is exempt from income tax on this money but the mother has to pay income tax on this money. Is this necessary?

And then there are the years when you have a small family and you are earning your own living, when you are income tax-free, your exemptions far out-weigh your earnings, and as the years go on eventually the children become self-supporting but they may still be living at home, at an age when your family should be encouraged to bring their friends home and so on, and finally mother finds herself in a position where her income does exceed the exemptions but there is not any money to fix up a rumpus room, to make things comfortable for these teenagers or young adults to bring their friends home.

Is there not a possibility that this tax might be pro-rated so that they are exempt and allow a little more money to allow repairs to make a family home? After years of struggling there has been no money available for repairs or fixing things up. Everything has been going downhill all these years and now the family is grown.

We are asking you to take a look at this situation, and we are asking you to take a look at the needs of the children.

These children suffer because society rejects them. You hear all the time that Susie comes home and says Janie next door can't play with her because her mother says she is from a broken home.

Mother herself must acquire some satisfaction within herself so that she can give them unconditional love and she has to have a good healthy outlook in order to be able to do this. She must be able to give them a good healthy image of manhood and respect for the absent father.

Now, in order to help us do this, we strongly endorse what is known as the Uncles at Large program here in Edmonton. This is a program which is financially supported by the Canadian Progress Club, and it is sponsored by the Family Service Association.

This is a tremendous program, and we mothers of children without a father recognize this need and the fulfillment of this need from this program more than any one else in the City.

The Uncles at Large program is similar to the Big Brother Program in other cities. But it needs financial assistance. It needs help. Uncles have to be screened and trained. There have to be counselling services with the children and with the uncle and so on, and what they are doing is tremendous, but we need a lot more of it.

As far as the inadequate system of legal aid is concerned, there was an article carried in the Canadian Bar Journal of October, 1967, about the Family Court, and it outlined desired changes as we feel they should be.

Now, basically, what this plan presents is a new family court established as a division of the Supreme Court. In other words, a court whereby divorces can be granted, judicial separations can be granted, which does not exist in our present Family Court.

The exercise of the jurisdiction in relation to all aspects of family law—one court could exercise all aspects of family law. A special judge or judges should be appointed to preside in the Family court and the judge will be required to be appointed by the Governor General according to the provisions of the British North America Act.

Now the second point in this family court program is establishment of department of court services which includes under the jurisdiction of this judge that is appointed by the Supreme Court—he has jurisdiction in the field of behavioural sciences and medicine. He has employees in his court qualified for this position and he has complete control of the whole situation.

The third point in this particular recommendation, as far as the court is concerned, that there should be a committee or advisory board established, including in its membership lawyers, representatives from the field of social work and other influential citizens to assist or advise and coordinate in this court.

This court would also include investigating services, probation staff, referees, counselling services, detention and shelter facilities and

clinical services. These would all be incorporated. In other words, anything pertaining to the court, and having all the records and everything available in connection with the one family. This also includes collection of money from husbands even though they have gone to another province, and so on.

This would all be incorporated under this family court system, and presently in Alberta this is under study, and they are anticipating that they be accepted in the Legislature here.

So these are the problems of poverty as they exist in the lives of mothers endeavouring to bring up a family alone. We want to rise up against an economic and social system that makes poverty a by-product of growth. We want encouragement. We want people to recognize us as individuals. We want to be told that we are trying; that we are doing our best. We want encouragement. We want Christian acceptance of the individual who is trying to bring up her family alone.

And we thank you for hearing our considerations and hope we will have favourable discussion regarding this situation, at your disposal. Thank you for listening to our brief.

The Chairman: I am going to start with Senator Quart, but before we start I would like you to know this is not a new problem to us.

Mrs. MacDonald: I am sure it is not.

The Chairman: We have heard it and we are deeply, very deeply concerned because there are 165,000 what we call four D's: deserted, death, divorced, detained, and there are 350,000 children from those.

You should know we are fully aware of the total problem.

Mrs. MacDonald: No, I am sure you are.

Senator Quart: Mr. Chairman, I want to be very flippant for a moment if I may. In looking around you ladies, I really question the men in Alberta.

Mrs. MacDonald: We left them in other provinces.

Senator Quart: If you took a travelling van I am sure you would all be married again.

But I wanted to find out about your organization: I suppose that you are widowed or divorced or separated or what have you. How many members have you in that category?

Mrs. MacDonald: 350. This is a very small portion of the number that really exists.

Senator Quart: If one of your loyal members of the Monica Society gets married, is she automatically out?

Mrs. MacDonald: Yes. Don't forget there are 350 members, but there is an average of five children per mother, and this also goes along with her.

Senator Quart: Some of the bachelors around here who are too old to contribute to the population would have an already-made family.

I thoroughly agree with many of your recommendations, especially the one where the man can deduct alimony and yet when you receive that alimony you have to pay income tax on it. That, for my part, seems unjust. I don't know what I can do about it. However, I will pass up to see what our gentlemen will say.

Senator Carter: How long has your Society been in existence?

Mrs. MacDonald: Approximately nine years. Almost 10 years.

Senator Carter: Your numbers are they growing?

Mrs. MacDonald: Yes, they are growing. Unfortunately. Population is increasing.

Senator Quart: May I have this last question before you go onto something else: how many have you lost through marriage?

Mrs. MacDonald: Well, as we lose, we gain, so we only have numbers.

Senator Carter: Are your numbers growing faster than the population?

Mrs. MacDonald: No.

Senator Carter: You are just keeping pace?

Mrs. MacDonald: I would say approximately.

Senator Carter: What proportions do you think you represent of the total deserted wives?

Mrs. MacDonald: I would really guess—perhaps a third.

Senator Carter: About a third?

Mrs. MacDonald: I am only roughly guessing.

Senator Carter: Now, of the members that you have, the 350, how many of these would be on welfare?

Mrs. MacDonald: I would roughly guess again and say three-quarters. From half to three-quarters.

The Chairman: Let me make a distinction. Long-term welfare?

Mrs. MacDonald: Yes.

The Chairman: There is a distinction, you know?

Mrs. MacDonald: Yes, definitely. I tell you the reason the difference is. When a situation like this exists, a family breaks up, the woman has a choice of going out and earning her own living or staying at home with the family. Some are capable of earning their own living, and some are not.

Some people who are capable of earning their own living perhaps feel very strongly their position is in the home with the children, and they are humble enough to accept welfare in order to be with their children. And I think these people deserve recognition because they feel their place is at home.

Others feel differently. They feel they would be a better person if they go out and work. It depends on the individual.

Senator Carter: Of these 75 per cent that you say are on welfare, how many of these would be part-time employed?

Mrs. MacDonald: Very few, because of the limitations that exist. Many would like to, and I feel we have to encourage them because of the contacts with people, because it enables them to keep up to be out in the business world. It helps them to prepare for the day when they will be able to go out and work.

Presently it almost impossible if a woman decides to go out to work—with the additional cost involved she has to have nylons, makeup, and so on, and she has to have a babysitter.

Some of the social workers vary. Some of them encourage it and help them along and see ways where expenses could be deducted. Others are strict and do not permit this earning capacity at all.

Senator Carter: Those who are part-time employed, what they earn over \$25 a week is deducted?

Mrs. MacDonald: That is right.

From the Floor: \$25 a month?

Mrs. MacDonald: Perhaps one of the girls having had this experience would like to speak to this.

Senator Carter: It costs you more than that.

The Chairman: There are certain deductions that are permitted. For instance, the social worker will permit normal deductions—perhaps not for nylon stockings but car fare and that sort of thing.

Senator Carter: And babysitters?

The Chairman: Well, you are now getting into another category. They do assist the working poor in this province to a greater extent than anybody else does, but then they do not lay down a rule as to what is deductible and what is not. They leave it to the social worker, and some are good and some are not, as Mrs. MacDonald says.

Mrs. MacDonald: We would like to see these stipulations specified in writing. It would be a big help to those that are trying.

The Chairman: You need more than that. That is not what you need really. These people are just begging for maintenance income that comes in every month. They could do what they like. Live their own lives. Go to work or not go to work. This is the best example I know of.

Senator Carter: I think somebody in the group wanted to add something to this.

Mrs. Hegerat: Well, senator, I work at the school, so I work 10 months of the year.

The Chairman: As a part-time teacher?

Mrs. Hegerat: No. I am secretary, teacher's aid and librarian at present, so I work 10 months of the year.

Now, in the summertime expenses are extremely high with four teenagers whom I love and whom I want to keep around me, so you need to divvy up a lot of money but I don't have it by the time I deduct income tax—I have income tax deducted from my salary, but by the time I pay income tax on the alimony that my husband gives me, that amounts to approximately \$150 a year on the alimony. Well, I am lucky that I get that much alimony.

So in the summertime I never have sufficient money for a vacation. I have never had a holiday since the day I was married, not

one holiday since the day I was married. But, however, this is just to tell you about costs. And I need some kind of social subsidy. I need to be subsidized sometimes in the two summer months.

The Chairman: How old are the children?

Mrs. Hegerat: 11, twins 12 and the eldest 14.

Senator Carter: As an organized group have you had any success in making any impact on the authorities?

Mrs. Hegerat: No. We have had a great deal of discussion, and I think it takes a lot of discussion. I think now perhaps Mrs. MacDonald and the girls have agreed, and I have not been a spokesman very often or anything like that, but I think that they are beginning to make an impression for once.

I agree with the Senator here who said everybody is an individual, each individual has to be considered and the wants for each individual differ. I wish when I got my separation that I had had one, you know, that was justified, but I didn't get that legal help.

Senator Carter: The first group we had this morning told us about projects and preventive services and about day care centres. Do any of your group have any association with day care centres or any of these services?

Mrs. MacDonald: I do know that if it was more readily available we could take better use of it because I know myself in the past I could have used it had it been available. There is no need for it now, but there was a day when going to work every day was very, very difficult.

From the Floor: Their hours are restricted.

The Chairman: What are their hours?

Mrs. Brodeur: We have to have the children picked up at six o'clock and I work till 5.30 and work is a fair piece from the day care centre.

The Chairman: And delivered when?

Mrs. Brodeur: Any time that is convenient.

The Chairman: Any time before six?

Mrs. Brodeur: Yes, that is right.

Senator Carter: I read in one of the briefs, one of the briefs submitted to us—we haven't

had it officially yet but I read it last night—where a group of women such as yours decided they are going to set up their own day care services and going to work out their own program.

Have you people given any thought to doing anything like that?

Mrs. MacDonald: No, we have not progressed to that stage, and being the oldest group perhaps we should have. I don't know. Our concentration as a group is more on the individual, care and encouragement that we endeavour to help and give to one another.

We bring in professional speakers to discuss problems of interest in our lives.

We have socials; we have gatherings, and we have summer camps for mothers and children. Our purpose is to bring people together and meet one another and have associations and have encouragement from one another.

When someone comes into our group and she is perhaps newly separated with three or four children and she takes a look at one of our girls over here with 11 children and she is doing a wonderful job; she has a smile on her face, and this in itself is group therapy. It is helping one another, and this is basically the purpose of our group.

Senator Carter: Your brief lays great emphasis on the children, and the effects of the separation and the type of life they have to live.

How do you manage for your children? Is it possible for them to participate in organizations, normal organizations like guides and scouts and things like that?

Mrs. MacDonald: Yes, and we encourage this very much, especially where there is male leadership. But then you get other activities which our children are excluded from like various companies that have parties and things for their children, which, especially if a mother needs social assistance, she is not associated with any company that does things like this.

Usually the cost is provided for attendance at Cubs and scouts no matter what the circumstances may be. Anything more expensive is out of reach and not inclusive for our children.

Mrs. Germaine Gourmant: My son did go to the Cubs for awhile, but when it comes to father and son supper, he wouldn't go back. His father was not there and there was no place for the mother so he wouldn't go back.

I should have gone to the leader and said "You go with him", but the little guy decided he was not like the others. And the same with daughters that are in Guides. Sometimes they have a father and daughter group—so it goes back to the children themselves.

Senator Carter: Other influences in the home like Sunday School: are your children handicapped with regard to those type of things?

Mrs. MacDonald: I think you will find that each individual case is different and it depends on the mother.

If the mother, through rejection from society, withdraws into herself, her children also withdraw with her. It is almost a natural situation. If she does not participate and she is so depressed and lacking in self-confidence that she doesn't go out and communicate with her children and the community and so on, then she withdraws and so does her children.

Mrs. Lou Hope: The government puts money into the alcoholic foundation, and in Edmonton I guess you are aware of Belmont Centre and Hilltop House, and now I hear they are making centres for the drug children. But what about the straight kids like ours? If you are not affluent you don't belong to clubs. There is no tennis court or badminton. This is just an example. About a week ago I sent my two boys swimming and they had to waste bus tickets because in this big city of 400,000 we have about five swimming pools.

In an hour they were back and said there was no room and the man said you might as well go home. There was a line up.

Now, when straight kids want to swim they can't swim, but if you are a drug addict they will build you a centre. How come the government has a system where they lock the barn door after the horse is stolen?

First of all, you should keep the good people good. These people that are over the hill, there is not much you can do for them anyway.

All these alcoholics that cost all the money, they only rehabilitate about one per cent or less, and yet good kids from families that are not affluent have nowhere to go. Nowhere to go. I don't mean the wee ones that are supposed to be with their mother. There is a real good parks and recreation commission for children from six to 10, but after that where do you go?

Senator Carter: Your children have no access to organized ball games or organized sports?

Mrs. Hope: The little leagues can only accumulate so much and the rugby can only accumulate so many, and if you don't fit in or if they don't have room for you, what do you do? There is no badminton court, there is no tennis court, and bowling alleys costs piles of money. So what do you do?

They have to stand on the street corner. Your mother hasn't got money to hand you a few dollars. Recreation facilities for the 11 to 17 is really sad.

From the Floor: You find your teenagers tend to go towards children that have money, and they want these things so desperately and you have to try and steer your children in the other direction towards children that perhaps don't have as much as your children. You can't provide these things for your children, and after these kids that have everything, they are not the healthiest of children. They have lots of money and they can go where they want but truly they are not the best of children, and you are afraid your children will get in with the wrong group.

Naturally your child looks up to these children that have more money than good and a better family name and yet I take great pride in my family. I think they are wonderful children.

I have a 15 year old son and I find I have to keep guiding him back on the path I want him to go, and he will still listen to reason. I can reach him. I have to make threats but then on the other hand I can also reach him through his heart and through good talking, but how long am I going to be able to do this?

Senator McGrand: How many children have you?

Mrs. A. MacDonald: I have four. I have a 17 year old daughter that is a marvelous help and I have been a widow for eight years. My baby is eight years old now. I have raised these children for eight years. I have lived on my husband's insurance and I find my money is running out.

In the last two years I have gone on part-time work, and this is all I can handle because I feel my children need me because there is only one parent in the family, and my kids need me up to a point. So my daughter babysits for me in the summertime. She is doing a marvelous job. I am as proud as can

be of her. And I think my other children are going to be just as good. I want them to be good citizens too. But my money is running out so I am going to have to go on social welfare, and this really hurts. It hurts me, very, very much. I have a pride.

Senator Carter: You are one of the ones that are not on welfare?

Mrs. A. MacDonald: Not yet, but it is coming so close and I am running scared.

Senator Carter: I would like to ask a question of somebody who is on welfare, and because of the special circumstances are your children, being brought up with no father and in a home limited to the welfare income, handicapped because of recreational facilities and opportunities and other things that have been mentioned?

Do you feel your children are developing a different sense of values from normal because of this? Are they developing a different expectation from life than normal because of these special circumstances?

Mrs. Anna Sherman: I have seven children, and I don't tell my children that we are on welfare. They never knew we were until my oldest boy started high school last fall. I figured what they didn't know didn't hurt them.

They go to school. All the children on welfare would raise their hands...

The Chairman: We have been told time and again that that has not happened in Alberta for some years.

Mrs. Sherman: It has. It happened last fall when the kids started school.

The Chairman: We had a complaint. It was brought to our attention and we brought it to the attention of the authorities, and we were assured that it was not being done.

Senator McGrand: Who asked that question?

The Chairman: The teacher did.

Senator McGrand: Why?

Mrs. Sherman: I don't know why. She asked all the children on welfare to raise their hand and stand on the side.

My oldest boy started high school last fall, and on the application for high school it says right on it are you on welfare or not, and he put no we were not, and I said yes, we are,

which came as a kind of shock to him. So he went to high school. They had to apply August 14th or something to register for high school and he arrived and he had no voucher. He arrived in high school and they said, "Oh, you are on welfare?" And he said, "Well, I have come to register." "Don't bother. Come back when you have your voucher". Vouchers came three or four days or a good week after school started. He had no books. He wasn't really registered or anything, and later on another set came out, and he was told all the kids on welfare—this is at high school—all the kids on welfare go to a certain part and they bring a little slip to get their text books, and he had no little slip. He had to take it to each individual teacher to get his supplies, and he was so ashamed he said because the classes would start, for the semester all the kids would come into the class and the class would start, and in order to get the teacher he would have to go up during the class and ask the teacher to fill in the slips, so consequently he never got the slips filled in and I bought his gym clothes and running shoes and school supplies and stuff for him and I thought, well, I wouldn't do it myself and I didn't think that he was being wrong in being ashamed to go up.

I think this has had a bad effect on him in high school. And when it came to the end of the year and they were turning books back in and the kids were all turning books back in, he noticed kids were getting caution fees back—you put a deposit on books, and if they are damaged they take a certain amount off—as he was not trying to do anything underhand, and the teacher said oh, trying to pull something swift there. You are on welfare. This goes back to the government. And he said he was so mad he would love to smash the guy in the face. This is a boy in high school.

Senator Carter: This is an impressionable age too.

Mrs. Sherman: It makes him want to quit school.

Senator Carter: You mentioned in your brief being required to line up in a department store in a special line-up marked "Welfare". Is that very prevalent? Is that being done?

Mrs. MacDonald: It happened.

Senator Carter: What department store?

Mrs. MacDonald: Woodward's. Woodward's uptown. I feel they have since been notified and I doubt if it exists this September because this is not the first time that it has been brought to light, but it did exist.

The Chairman: It won't exist after this gets in the papers today.

A point to follow up—these women have said we have already been subject to one rejection. Don't forget rejection is a two way street. You, too, have rejected.

Mrs. MacDonald: I am glad someone is standing up for the men.

The Chairman: That is a right you have. But here are these children, 350,000 across the country being influenced as a result in an environment. What is the effect? What effect is it going to have on these children who we could possibly save?

Senator Carter: Yes what we refer to as our most valuable resources.

The Chairman: So if we can get any deeper as to what we can do to help them out.

Mrs. MacDonald: This Uncles at Large program, there is one basic thing I think which can be extended to our girls as well as our boys.

The Chairman: Aunts?

Mrs. MacDonald: No. Uncles. Girls need the relationship of men just as much as boys do. Almost as much.

The Chairman: It is not quite that easy to extend it to girls.

Senator Carter: You can't have Aunts at Large.

The Chairman: I realize that uncles are excellent, but we have had Big Brothers in some of the larger cities for many, many years. They are very, very helpful.

Mrs. MacDonald: Extremely helpful.

The Chairman: But really they have not replaced a father or mother.

Mrs. MacDonald: No, but it certainly helps.

The Chairman: Your problem is deeper than that.

Mrs. Bernice Dumont: I want to speak on behalf of welfare, I have been on welfare all my life. I have been a welfare child all my life. I have been without a father all my life.

This gentleman here asked what becomes of children that have to be degraded and have to shun away from public people. I know because I went through it, and believe me it is not easy.

I am 32 years old. I have six children. Now when I got married I was so ignorant and so lacking in understanding I couldn't even get through. It took me years. I am 32 now and I am just beginning to see, and I would like to see my kids have a better life than I ever did because I have lost and I have gained, and I lose, and I would gain again, but I would pick up and start all over again, and that was not easy, believe me.

I have been called down to the worst and I wouldn't say that it was my fault. I had to grow. This is sort of what happened in my life. I have six children that I didn't even realize what is going to happen to these kids.

Senator Carter: This feeling of rejection that you yourself feel because you have experienced it, is that communicated onto the children?

Mrs. Dumont: Oh, definitely.

Senator Carter: How does it manifest itself? What is it doing to the children?

Mrs. Dumont: Well, in my case I have a 13 year old son and he has got a chip on his shoulder. He needs help. He needs a bit of counselling. We need to get together because he knows that I was not a perfect woman. I was not perfect. I couldn't do many things because I didn't know how.

Now I got into Monicas about a year ago. Just before that there was a lady across the street from me and I used to wonder how could she make out; how does she do it? How could she go to church and pray and put a smile on and she had just hard times. She lives alone too.

But I kept watching her, and this is how I began, and as I say, it wasn't easy, and along the line with other things—but there is one thing I can really say, that I really tried. I would go down and I would come back up again.

And these vouchers. I told welfare if they were going to give me a voucher they could have six kids along with them, and they said you have to go on voucher because you are not strong enough to handle your own money. I said, here is the kids. I am just about broke up now. I said if you think I can't handle it you can keep it, and I got a cheque for my rent and what I needed.

Now if they could love you, you can love them, and this is all it amounts to. And secondly, when they have to go to school and they have to stand on the side like that and this teacher—again I have seen it and my step father has done this—stand on the side of the grocery store, and they were selling coffee and everything. If he wanted a drink they knew how to get it, and if they want money to drink, they will do it whether there are vouchers or not.

But what about people like us. Why should we go along with vouchers?

Senator Carter: Vouchers are degrading.

Mrs. Dumont: They are very degrading, and we approximately live on a dollar a day. That is to feed the children, clothe the children.

Senator Carter: You mean a dollar a day each?

Mrs. Dumont: A dollar a day for six.

Senator Carter: For how many?

Mrs. Dumont: I have six children.

Senator Carter: You have to skip that dollar for the whole six?

From the Floor: A dollar each.

Mrs. Dumont: I get \$8 a month per child, and my kids have to drink water because I can't supply milk.

The Chairman: You have six children and you are one. That makes seven. What do you receive in total?

Mrs. Dumont: I get \$69 for groceries every two weeks, and there is my rent, there is my utilities, and my utilities average—I just dished out yesterday \$30 for utilities.

The Chairman: Have you any idea what total aid you would get in one month?

Mrs. Dumont: I get it every two weeks. I get more on the first than I do on the second. Here we go again. I don't know anything about this I get my cheque and I do the best I can. If you was to ask me totally how much I have got—I have no schooling.

The Chairman: Well now, wait a minute. You have friends in the Society here.

Mrs. Dumont: I get \$116 the middle of the month and I get \$206 on the first.

The Chairman: You get \$312?

Senator Carter: That is for a family of seven?

The Chairman: She is lucky she is not living in Nova Scotia or Newfoundland.

Senator Carter: Are there any other ways in which the children feel different from other children? You have mentioned discrimination, that they have to present a voucher and they have to line up and they have to present themselves. In what other ways are the children at school made to feel they are different from others?

The Chairman: You mean because they are on welfare or just generally?

Senator Carter: Well, any way, because they are on welfare or because they are from this type of family.

Mrs. Anna Sherman: I find on the hockey teams and the baseball teams, the children that are going to these things have fathers to pick them up. My boy played hockey last year, and every game, every practice, they had to scrounge around and get a ride. A ride there and a ride home. Sometimes they wouldn't phone for a practice. A father would be picking up so many children and he wouldn't be picked up because he had no one to drive him.

I think they feel this. They feel they would like their dad there or someone there to give them a little bit of encouragement. I don't know that much about hockey. He would come home and mention such and such a play. It doesn't mean anything to me.

The Chairman: How many of you girls work? When you are working you are paying under the pension plan. How many of you are paying under the pension plan. What has happened to that?

From the Floor: They keep it.

The Chairman: For instance, let us assume you paid for some length of time. I don't care how long, but you did. What has happened to whatever payments you made? Have you continued to make any kind of payment?

From the Floor: I have never been on welfare, but there is discrimination.

From the Floor: You have to be sure your children are well dressed.

The Chairman: No, no, we are off that. We will get back on. You have always worked?

From the Floor: Someone who has worked and then not worked.

From the Floor: I have worked for a month.

The Chairman: Anybody longer than four months?

From the Floor: I have for seven years. I had to give up.

The Chairman: And during the time that you paid the pension plan for the last two years—you just gave up when?

From the Floor: I gave up eight years ago.

Mrs. Hegerat: I am considering giving up work. What should I do about that?

The Chairman: It is a problem you did not cover in your brief, I was going to try to get at it. For those people who had contributed and then given up, it is almost a total loss unless some method is established to permit a means of continuing to pay for a pension.

Mrs. Hegerat: I had a breakdown last year and was forced to be on sick leave for six weeks, so really I feel that I shouldn't perhaps take on the two jobs again this year.

The Chairman: We will get back to that.

Mrs. Hegerat: So I wondered what to do, just to continue to pay it myself or the Federal Government?

The Chairman: Of course once you are not employed you can't.

Mrs. Hegerat: Then you have lost it, just like I paid 18 years Unemployment Insurance.

The Chairman: No, that is a different matter. That is a different matter entirely. You could have collected it if you had need of it, but this is a matter of pension in which no provision is being made for people such as yourself. It is a new problem. We have to work out some method so that there is some pension for people like you.

Mrs. Pruss: I have always worked to support myself...

Senator McGrand: We cannot hear you.

Mrs. Pruss: —none of which I have ever been able to collect. I would like to suggest there must be some government that can apply these orders to social security members so it is first deducted from the husband's pay cheque?

Why should I have to take money and bread out of my children's mouths to chase him for something that he has responsibility for.

The Chairman: He is available?

Mrs. Pruss: He has moved to another province. Some quarters have criticized me because I do not have the money to chase him. I don't think it is fair that they should just walk away and the government doesn't help me.

Senator McGrand: I have several questions, and I will be as brief as I can, and you can make your answers as brief.

First, how did you choose the name Monica for the group?

Mrs. MacDonald: Senator McGrand, from New Brunswick maybe you should know. I am from New Brunswick.

St. Monica was the mother of St. Augustine, and if you are aware of all of the background of St. Augustine, he was a deplorable boy. He was just impossible. St. Monica was a widow and she was attempting to bring up this boy under the most terrible circumstances.

Senator McGrand: You have answered the question.

Mrs. MacDonald: He succeeded. He turned out to be a saint and she a happy mother, and we pattern our lives after her.

Senator McGrand: You have referred to the lack of father image in the homes where there is no father and I presume it is worse in the home of the deserted mother than it is in the home of the widow?

Mrs. MacDonald: Right.

Senator McGrand: Apart from the misery which these women must endure, can you give me some idea, some example of this, of something that has happened to them? For example, is there an increase in drugs, the children that take drugs in the families of these deserted mothers? Is there an increase in juvenile delinquency, and I agree with the lady who said that every snub does count, and I cannot understand why a teacher would be permitted to get away with insulting a child in school because just this organization with 350 members that seems to have capable leadership, has not been able to expose this sort of thing in schools.

Now would you just give me some idea about the problem of drugs among children of families and is it more so in the families of deserted mothers, or is it common in all children that have no father image in the home?

Mrs. MacDonald: We discussed this with the counsellors at family service, and as far as statistics are concerned I understand that it exists—that these statistics are not higher as far as juvenile delinquency is concerned.

However, a mother has more difficulty with discipline. There is no doubt about that. She is a mother. She is a good mother. She is doing the best she can, but she is not a father. Therefore these children have a very difficult experience in trying to cope with conforming to a mother's discipline when it should be coming from the man.

Senator McGrand: I am well aware of this, but what I mean, does it add up to more drugs and delinquency or not.

Mrs. MacDonald: No.

Senator McGrand: All right. You have answered the question. Now in this problem of desertion, what is the average number of children in the homes of people who belong to the Monica Organization?

Mrs. MacDonald: I would say the average is five. We have a lady with 11. We have another with 12. We have another in the audience with nine. Three, four, five.

From the Floor: Five is the average.

Senator McGrand: Have you got any with just two?

Mrs. MacDonald: Yes. Some with one. We have members of our group with one.

Senator McGrand: Looking back at this thing, what happened to these men that they suddenly took off? Were they alcoholics? Were they too lazy to work? What was the problem?

The Chairman: You are really going to get a blast, you know.

Mrs. MacDonald: I would like to relate it to what it does to the children.

Senator McGrand: Was it just incompatibility?

Mrs. MacDonald: I think it is a lack of responsibility, and which can exist in our

children if they are not given a good male image.

Senator McGrand: Immaturity can work both ways.

Mrs. MacDonald: Lack of responsibility, immaturity, and lack of accepting responsibility. Therefore they are unable to cope. They love these children too. I have no doubt but they do. They just can't cope with the situation.

Senator McGrand: You mean these men can't?

Mrs. MacDonald: They can't. And therefore it results in drugs and abusives and so on.

Senator McGrand: Do drugs and alcohol play a factor with these men at the time of desertion, or has it?

Mrs. MacDonald: I think you would find that in 90 per cent of the cases alcohol has.

Senator McGrand: Alcohol; not drugs? You have told me to be careful and not to get in trouble. Now I am walking right into it. Are these frustrated women that we are talking about—they are all frustrated—all their problems, and you know that today people who try to escape reality, they do go to drugs or something else to escape reality.

Is there any tendency on the part of these women, women that we don't see around us, but they are around the country. Is it a tendency of these people to use drugs in order to escape reality?

Mrs. MacDonald: Not that we are aware of.

From the Floor: What kind of drugs?

Senator McGrand: This is important?

The Chairman: You are not talking about 222's?

Senator McGrand: I am not talking about a bottle of beer now. We have an awful lot of people both men and women in an affluent society who just simply cannot face up to the facts of life and they are on drugs.

Now, if these people who evidently do not have too many problems to face up to, if they are on drugs, what is the strength of these women who are frustrated and deserted and yet they do not go and try to escape reality by going to drugs. I think this is something worth investigating.

The Chairman: She will give you an answer.

Mrs. MacDonald: Well, I think probably you will discover that these mothers are going through an experience which in itself strengthens them because they are the sole support of their children and therefore they keep together regardless.

Mrs. Cecile Larocque: I have 11 children and my husband has two of them and I have the others. As much as I would like to have them all.

You are talking about not being able to do things. I have had physical and mental breakdown—that is four years ago and I am still not well. What has happened, my husband took up with the woman that was taking care of my children, and he took her and I am told to get out, and so there you are.

Senator McGrand: I think you have got your finger on it. This problem makes them stronger, so there you are.

Senator Quart: Of course that is right.

Mrs. Larocque: That is what happens with me. I am trying to get well, and I am still getting quite well, but that is what happened, and it is there, and he simply has lost—yet now he has another family. What do you think of that?

So don't think that we are not capable. My goodness. I wouldn't be here now if weren't that I have a little bit of faith to keep me going.

The Chairman: You keep that faith.

Mrs. Audrey Brockman: I feel the members of this Society are not necessarily a true picture of all women who are alone. I think the women who are attracted to this Society are a section who are basically very good and are very concerned about their children and maybe who are not right down to the dregs unless we have found them. I think there are many mothers who are alone in the city who are really down and out. We are not reaching them, and they have not the ability to go out or the courage or whatever it is.

I do not think we can speak for the group that are having drug problems necessarily, and alcohol problems among their children. I think our group is a group who are trying to keep our hopes up and work together to do this, but I know there are many, many people who are not able to do it and are not in our society, and we are not able to get them.

Senator Carter: You have not found any way of rescuing them?

Mrs. Brockman: This is what I feel is lacking in our society. We are pretty well bogged down with our problems, all of us, and trying to keep together.

I feel what we need is somebody in each area, of our own type, who would understand their problems, who will be able to go out and work among these people. I really feel this is what we need in this city. Social workers without having the experience of some of our problems, would not really have that true understanding of it.

Senator McGrand: Don't you think people with this experience could make better social workers?

From the Floor: Definitely. Yes. Yes.

Mrs. Brockman: We have two or three right here who are an aid and understudy to social workers, and I think they are tremendous people.

Mrs. Kirk: I am one of these unfortunate ladies. I am glad there is one lady with me who is getting alimony. I have been getting alimony. My husband is earning \$12,000 a year. He has since married to the matron of a hospital—I don't know exactly her wages, but you would know the matron of any hospital is earning quite a bit. They live in a \$35,000 home. I don't begrudge any of this. There are no children, though.

I have been getting the whole sum of \$3,000 a year for myself and three children.

Now it wasn't too bad three, six or seven years ago. My children were then two, four, six or something, but now they are seven to teenage level. One teenager.

You tell me why I am supposed to pay tax on \$3,000 a year just because I am only allowed \$2,700. That is all I am allowed. I have nothing against welfare, but oft times I say I wish I was on it believe me because I have got to pay my dental bills, my Alberta Health Care, the children's books, you know, the whole bit.

Now out of that \$250 a month...

The Chairman: Let me put it to you this way: we are aware of that \$2,700. We think it is entirely unfair. We have taken note of it. But under the new proposal made by Mr. Benson people such as you will not be paying into this at all.

From the Floor: But how quick is this going to go through?

Mrs. Kirk: Six or seven years ago my husband was not earning \$12,000. My children were much younger. Why isn't there a stipulation that as his wages rise he should be entitled to pay a little more?

The Chairman: Well, of course, you can always make application.

Mrs. Kirk: My husband is not in this province, and I have employed my own lawyer who, believe it or not, is very kind—not all men are bad—and he has been very good and he has tried, God knows he has tried, but it is absolutely impossible because your B.C. Jurisdiction is not the same as Alberta Jurisdiction, and in no way—he would have to send an agent, and even then we would probably fall over on our faces, and this is something I believe and I am sure he is right there.

The Chairman: That is the law. There is no question about it, the law is deficient.

Mrs. Kirk: If he was in Alberta I could probably get after him. And another thing I want to tell you, I am a great Edmonton Eskimo fan. We are the team that lost—well, as I say, I still support them. They are losers, but one of these days they are going to be winners. They are not all bad. Remember the 57, 54, 55 years. They were good then.

I am behind them. They will come up a winner, but what they are lacking is a quarterback, and this society of ours, we have a good quarterback, and this team is behind this quarterback. We are going to be a winner like the Eskimos. One of these days we will be a winner and believe you me we will work hard to get there.

Senator Pearson: Is this a city-wide organization?

Mrs. MacDonald: City-wide non-denominational.

Senator Pearson: Have you any special place you meet at?

Mrs. MacDonald: In a church basement that is available.

Senator Pearson: Do you have regular meetings?

Mrs. MacDonald: No. We send out newsletters advising them of the activities that are going on. It may be a meeting in a church basement; it may be a picnic in church grounds somewhere. We try to spread it

around as much as possible. I understand you are aware we have invited you to lunch, and we immediately contacted a church and the people are very, very good to us. It is a non-profit organization.

Senator Pearson: You talk about loneliness, do you try to develop a sort of spirit, a group spirit?

Mrs. MacDonald: Can you see it today?

Senator Pearson: Yes, I can see that, but you have a lot of members who are not here.

Mrs. MacDonald: That is right, and as Audrey said, all those we don't reach, we don't know about. Then there are members on our membership list who yet have not reached the ranks of being able to break out as much as the girls who are here today, but we keep in contact and keep encouraging them, to try to bring them out to activities, and once they have been out, they seem to pick up the threads and form friendships.

Senator Pearson: Can you go any farther? You have your children. Can you get your children into a group as well because they seem to be rejected by other people?

From the Floor: They want their own friends.

Senator Pearson: From their own community.

Mrs. MacDonald: It is not fair for us to cause another situation of discrimination.

Senator Quari: You mentioned summer camp, and I think it is a wonderful idea. How do you raise your funds for this? Do you charge a fee for belonging to this?

Mrs. MacDonald: No, there is no fee for belonging to the group, but we operate the camp—it is for mothers and children, and as a result it is usually mothers who are not working that attend as a general rule, and the welfare department does provide camp money for any child that is presently on welfare, and therefore they pay us.

Senator Quari: Do they staff the camp?

Mrs. MacDonald: No. We do it all ourselves.

Senator Quari: Talking about your friendship clubs, why wouldn't you extend an invitation some evening to the lonely men to come? There are lots of lonely men.

Mrs. MacDonald: There are lonely men in the city, and the men who are bringing up children by themselves deserve a lot more credit than we do because it is a lot harder. There are other groups.

Senator Quari: No, I am not a match-maker, but they are lonely too maybe.

Mrs. MacDonald: But we are not here to complicate the ladies' lives any more than they are, and our purpose is to help one another in their present state of life. If they want to seek company that will perhaps lead to marriage, there is lots of opportunity.

Senator Quari: I do not exactly agree with you that it is easier for women to bring up their children that it is for a man, a widower or divorced man who has custody of the children, because I think so many times people have great sympathy for men who do have the children and they are lonely, and they get more assistance probably and they think women can cope.

From the floor: The mother's influence. But there are lots of single clubs in the city where men can go, and women can go to these clubs. But boy, you can meet men there who have four or five children.

The Chairman: There is one thing that troubles me. In making up your brief you have dealt with human problems. We are not dealing with that today. That is your private business. We are concerned with your economic problems. Some of you have had four, five or six years of living on assistance. Certainly you have been able to prove that you are good budgeters, that you can make a dime go a long way.

Mrs. MacDonald: I am surprised at your comment that we have human problems but they are none of your business.

The Chairman: Your human problems happened and are your own business. I am talking about the economic problem that is with you now.

Mrs. MacDonald: Are you only concerned with economic problems?

The Chairman: No, but at the moment my question deals with economic problems. I am not entering into human problems because that is a matter for yourself. It has happened.

Mrs. MacDonald: But I think the human element is the most important part of it.

The Chairman: How can we correct that?

Mrs. MacDonald: By creating a good Christian attitude, to help encourage acceptance, encouragement for the people who are trying to do something for themselves, and encouragement for the Uncles at Large program so that our children can develop.

The Chairman: If you have got all that without income, where are you?

Mrs. MacDonald: I don't think that is important for the individual.

The Chairman: You don't think income is important?

Mrs. MacDonald: Oh, I do. I say it is not as important as the individual. Personal development of the individual which means no discrimination against her earnings and her children, and the classroom and vouchers and these things are all involved.

The Chairman: It seems to me the first necessity you need is income; isn't it?

Mrs. MacDonald: Yes.

The Chairman: How is it in the course of the brief not much was made of it?

Mrs. MacDonald: Because we feel conditions as they presently exist deserve credit because there was a time in our country when these things were not available, and there are some recommendations for improvement of the present situation and set up on welfare, but there are many here who are not even on welfare, and we are not asking for economic help, and we are asking for various other things.

For the ladies who are on welfare we are working for acceptance and encouragement and so on so that some day perhaps they will reach a stage when the family is grown and they too can join the ranks of the self-sufficient, and their children could follow their pattern.

But if the mother is so depressed and desolate and isolated from society, there is nothing to do but go to the beer parlour. If her self-image is not improved to the state where she can accept society and feel that society accepts her, then your economic problem exists because the money goes in beer instead of feeding the children.

Mrs. Kirk: May I speak for the Uncles at Large? I have two girls and one boy, and being that I have no brothers nor sisters nor

mother nor father here in Canada—all my relatives are in Scotland—and this was the thing that hurt me badly when my situation happened to me. What was I going to do for my son? There was no one that could come in.

I would like to speak up for the Uncles at Large. Maybe the government could help organizations like this, because my son has been very lucky, and he is a lovely gentleman that comes, and I am very happy about it because now he is getting in with a male finally, and as I said, if this organization had not been, I really don't know.

Sure, there are neighbours. Fine, but they have their own family and their own wives and sometimes it is not easy to cram in four children in your own family car.

So I think, sir, if there is something you could do, something maybe in these organizations, because I know a little while ago my son was out with this uncle; they were selling flags or something to help the organization.

I think it is wonderful to volunteer their time, sir, and their help, for these unfortunate boys, leaving their wives and family to go and help our boys. Don't you think they shouldn't have to try to get the monetary value? Why aren't they somehow subsidized from government in a very worthwhile organization like this.

Mrs. Therese Gagnon: My son was always with me or children of his age, and he has matured, and I think this Uncle at Large is just wonderful.

Senator McGrand: You can't write it into legislation. This is something you have to develop, and this is a powerful group.

Senator Quarr: Do any of your boys belong to the Boy Scouts?

Mrs. Kirk: My son is a great hockey player and I love hockey as I love all sports, and I go and watch him play hockey. But the point is he comes home like any other little boy and he says, "Mom, the coach says you have got to get your father to drive." Then, of course, mother has got to go and get hold of the coach and explain the whole situation. It gets terrible to always be explaining it, and sometimes the child does back out because he hasn't a father to drive him. We don't have a car. I don't think they mean to hurt the children, but it happens.

Senator Carter: Could I just ask one question? The lady over there on the end with the

daughter growing up around 16. Some of you have youngsters around 17. Teenagers.

Do you sense in observing them because your own marriage has gone on the rocks one way or another that they will not expect their own marriages to last either?

From the floor: No. No. The other way around.

Mrs. Kirk: I don't think any of us have brought our children up to say you have to hate your father.

Senator Carter: No, I was not meaning that.

Mrs. Kirk: We brought them up with the idea that something has happened in our marriage. There is no reason why the same thing should come up in yours.

From the floor: I have a 20 year old daughter and she has delayed her marriage a year according to the adjustment of the situation. It takes them longer. They hesitate.

The Chairman: I must tell you that last night when I read this brief—I thought it was a very touching brief—the committee shares that view pretty well. It is a real difficult situation involving, as I said earlier, almost half a million human beings in this country. Not only are women involved but there are children involved as well. It is not an easy problem.

I do not think the committee knows at the moment what recommendations we will make. Our research people have given it a very thorough study. We put a much emphasis on this because of the problems and because it is out of proportion in Canada. Don't ask me why. I don't know. We have not come to that. There are no guiding rules for us to look at in some other country and see what they did. We seem to have more of it for some reason or other. I do not know where the blame lies.

I think what is very healthy here today is that there are women who are not on public assistance and who are part of the organization and have come here to assist and join with others to see if they cannot help to bring about some solution. That is important.

Senator McGrand: I have one question. May I ask it now?

The Chairman: Yes, sure.

Senator McGrand: What was the average age of most of the women, the deserted mothers, at the time of their marriage? Were they

married in their teens or twenties or what was the average?

From the floor: I was 30.

From the floor: I was 23.

Senator McGrand: Tell me this: how many of these people that you know about, how many of those women or their husbands were products of deserted homes?

From the floor: I don't think mine.

From the floor: No.

Senator McGrand: It is not very common. There has been very little research done in this field.

Mrs. MacDonald: I don't think our group can speak for others. The ones we have here are not the ones who are down and out.

Mrs. Larocque: Before you finish, could I just say one quick thing?

The Chairman: Yes.

Mrs. Larocque: There is discrimination on welfare between boys and girls. I had a daughter 18; she was attending university, and they didn't cut her off until her 18th birthday. And when the boy was 16 he passed into university and was going to university in September, and at the end of March I got a letter saying will you please pay back \$300 we paid you? We fed your son and clothed your son since September and you are not allowed to, and I said I don't understand it, and the worker came down and he said we keep the boys until they are out of Grade 12 and then they are on their own.

From the floor: It is not fair.

Mrs. Larocque: And in order not to repeat this, you should see that boys should get a good education. He earned his money through the summer for clothes and books, and what welfare was doing was feeding him, and they cut him off.

The Chairman: Well, as I was saying, the problem is a serious one. We appreciate your coming here and joining with the others and speaking to us.

We are taking a very serious and very sympathetic look at something here that is most unusual. We thank you for coming and presenting your brief. It was very well done, and you covered many of the topics that needed

covering, and you have our appreciation. Thank you.

Mrs. MacDonald: Thank you very much, Senator Croll, and all the other Senators, and we want to thank you for even taking time out to listen.

We will be delighted to have you for lunch.

(Noon adjournment)

(Upon resuming at 1.30 p.m.)

The Chairman: We will call the meeting to order. We have a brief from The Edmonton Social Planning Council. On my right is Mr. J. Donahue, President, who will introduce his delegation.

Mr. J. Donahue, President, the Social Planning Council: Senator Croll, members of the Senate Committee, starting on the left, Denise Williams, who will speak for the Growing Up Together Society, Mrs. Stacey, mother of four children on welfare, who has something to say, Father Marc Barrier, who will explain the diagram here which is just behind, Terry Hansen from the Future Society, and Denis Bartell, who will talk of the co-op community which was designed.

When we first spoke with your advance agent Michael Clague we could only think of your trip to Edmonton as being meaningful if, in some way, we could make you aware of the uniqueness of poverty in Edmonton.

We at the Edmonton Social Planning Council are becoming involved in the process of change which is affecting all of society today. We would like to tell you about some of our involvement with people and projects related to poverty.

A superficial glance may have you believe that there is very little poverty in Edmonton. Our old buildings are not so old and there are so few of them. The scene is deceiving.

Edmonton's motto "Gateway to the North" can suggest a swinging gate with people coming to Edmonton from the East—Toronto is 1,600 miles away—and through Edmonton to the North, and displaced people from the North—Inuvik is 1,300 miles away—moving into Edmonton. Edmonton is truly a transient distribution centre of people and goods.

Edmonton Social Planning Council recognizes that we have means to solve poverty at our disposal if only we had the wish to do so. What we have described as an ethical revolu-

tion is necessary. The guaranteed income and new means of freeing resources is a proposed start. Our own Council has had to make some difficult decisions—will we remain an old style Council doing patchwork and re-inforcement planning? As Henry Ford has proposed, that we take part in this peaceful social revolution. Will we become a leader in this peaceful revolution?

We see our way more clearly now and perhaps are in a better position to take risks and try new techniques that Government itself cannot do.

We have in our presentation developed a design of one poverty cycle. This design illustrates clearly the helplessness and interdependence of both the consumer and the supplier. It also makes clear the futility and danger of repairwork to such systems.

I would like to ask Father Marc Barrier to describe the model to you, and then present some current programs that are attempting to intervene in similar kinds of cycles.

Father Marc Barrier: What we would like to describe first of all is sort of a general diagram concerning the urban centre. This diagram might be very objective, but as a matter of fact it is very subjective of certain kinds of people. I have the feeling especially with transient men who are in the City of Edmonton.

The Edmonton urban centre shows a geographic area which is described in the form of a square. It results in a social system catering especially for certain people holding on to certain values which are described in the centre of the diagram. Those social values are permeating geographic areas but not completely. There is always in the urban centre what we might call the white light zone.

Coming into the centre, we have the phenomena of urbanism right now. People coming into the city who do not hold this idea and values, the majority of ideas and values of urban centres. We have various groups, and one of the groups I would like to describe are transient men here in the City of Edmonton.

These men seem to be quite interesting and because they are perhaps the furthest away and less concern us, just to the values of majority in urban centres, they are most estranged from established values.

These men come to the city from various backgrounds. We have transient men, young and skilled men seeking employment. We have transient men, war veterans, pensioners,

non-pensionable men who have been replaced by younger men and machines, men out of institutions such as jail, mental hospital and so forth coming into the city, and they are being controlled up to a point because they have to come to a central place which is called a hostel, the provincial hospital.

From the provincial hospital they receive shelter and food, provided they meet certain conditions. Shelter is provided when the man is not intoxicated; food under certain conditions, which is only breakfast and supper, and there is no lunch offered to them.

The hospital is sort of helped by some other agencies, like the Salvation Army, privately owned rooming houses, and from these few places the men may eventually purchase services that these places are offering. If the man does not conform to the conditions, if he comes to the hospital intoxicated, he has to be punished. He goes to the overnight shelter which is not the best place to be in.

Then in this system the men do not receive all the attention they need, and there are benevolent agencies who have moved in like the Marion Centre and like the Edmonton Day Centre, the missions Bethel and Hope who are trying to provide the sort of addition to their food diet; the Marion centre is providing food and lunches and other places also provide some service provided the men attend some of their religious services.

Now, if he wants to break away from this system, he has to seek employment if he is able to, but what is happening in this case, he is going to the Chamber of Mines and he is most of the time directed to northern work camps, or is going to Canada Manpower and he goes to bush, or he goes to private sub-contractors here in the city, and he gets back almost immediately into the closed system.

Another way of breaking away from the system is the help service. I should also point out that this Northern Works are feeding the men back into the system because there is nowhere else for them to go once they've done their time up north.

There is another way of breaking away: if the man is sick he goes to certain agencies for services that are provided, but finally because he is a chronic alcoholic or he has some other disease that cannot be dealt with by a clinic or some other hospital, such as a man with perhaps psychological problems, he is directed to Oliver which is more or less an infirmary in our system, but from Oliver he has no place to go back except back to the system again.

There is another way of breaking away: going to jail which most of them do enjoy during the wintertime, and especially because it is very cold here in Edmonton, and they prefer to be picked up and go to jail.

Finally there is one more perhaps positive way of breaking away from this system: through certain services that have been provided, recreations, which account for some films, and some educational process in which the men may enter.

Finally, most of the recreation and Oliver that are provided for men are merely ways of killing time and that feeds the men right back into the system again.

The only way of staying away from this closed system is by staying on the river bank, and the men will spend their time, eventually getting so sick they would have to seek another type of accommodation like overnight shelter and they will start over and over again. So this is the system that we have found that we have here in Edmonton with regard to transient men.

We feel these men are very, very much controlled by the established values. These men cannot really get back into society as such.

Mr. Donahue: Terry, would you like to say a few words about your society or group?

Mr. Terry Hansen: I am Terry Hansen of the Futures Society. My main concern is that of the ex-con, and I think the best way I can describe the problems that he has is to take an example. Take a man who has been in jail. In jail he is told what to do, and when to bathe, when to eat, when to change clothes, how much his hair has to be cut, and hence his life is controlled by a mechanical brain. If he tries to use his own and fight this off, in jail he will lose.

The man is released, and on being released has been reduced to nothing. He has been controlled for the last year or two—it could be five years to twelve years. Now he is out with approximately ten dollars in his pocket. He is searching for help. Having been told what to do for so long, he goes out searching for people to tell him what to do, and this he finds. He is told where to live, where to stay, what to eat, where to sleep and this is all found because he is a poor man, in this particular system here. I call this a prison with invisible bars, invisible to John Doe Public, but very real to the ex-con.

The Futures Society—and one of my concerns is being one of these ex-cons, and

having made it through this maze. It took two or three years before I finally made it to the other side.

My concern is to stay behind and help those coming out of jail make it through, possibly with our help just make it a little faster and a little sooner. Some guys don't make it and end up going through a concentration camp. They die away. And this is where my concern is.

Mrs. Gloria Stacey: I am Gloria Stacey, the mother of four children, and I am upgrading on a project with the provincial government. This is fun, but some of the pressures we have to undergo on behalf of trying to get educated and getting out of this rut that we have been in, being on welfare is fantastic.

The education does not give any means to us at all for problems with our children. We have to work darn hard to get our education, plus there is financial needs that our children have to have, as my children are all in school, for clothing. The allowance we are allowed is impossible to live on.

These pressures I have too, and other students have to live with in order to get educated. We have to fight with the system of education to get us educated. We have to fight a public to be accepted as a person. We also have to fight to dress and clothe and feed our children and to get to the heads of our government to try and get extra help is impossible. I spend all one day and end right back up at my social worker. Just to get hold of one person it is impossible to reach anyone to get help if you need anything extra at all.

The babysitting service is another thing. It will be available providing you can find it, and not very many mothers want to leave their children with just anyone. We have certain areas to leave our children.

The Chairman: Do the day care centres have paid personnel?

Mrs. Stacey: They have, but most of these day care centres are in the central part of Edmonton. Myself, I live out in the north-west part of Edmonton and transportation from my part at home to the day care and back to school, and back home again. I'm spending most of my allowance on transportation.

The Chairman: That we understand, of course. There is nothing in your area.

Mrs. Stacey: There is nothing, and I am more fortunate. All my children are in school, but I have one in Grade One who is home

half an hour before my other children, and as a result he has a baby sitter himself for half an hour, so I can attend school and get educated and get off the system of welfare and provide for my family.

The Chairman: It is surprising how quickly the children grow up. It is a tribute to you that you can do it.

Miss Denise Williams: My name is Denise Williams, and I am going to present a brief on Growing Up Together, and that is a program for small children. I have two children going to preschool that are my concern.

The program began in the fall with a group who came together and we thought it was a good idea to start a programme for children of parents who could not afford other facilities for their children. The group decided that the mothers in the group should have the control of the program, and would also be able to work in the school on a voluntary basis.

The mothers group also wanted to set up a programme for themselves which could take place at the same time as the children's programme. Sacred Heart Parish Hall was secured for the program. It took about six months for a number of groups who were boycotting the program. The program for children began shortly before Christmas. The group however had received no funds when it started the program.

The program: 2 hours from 1:30-3:30 daily. The children were picked up at their homes by volunteer drivers. Once in the play-school the children had various activities, free play time, experience with art materials, music, toys and other equipment such as films and tape recorders. The children also went on field trips to places such as library, museum, university farm, the children's zoo. There were two resource people who were in attendance daily, along with the mothers who came in to the school. The total staff situation was volunteer. And it ran until the middle of last month, and the only financing received at that time was \$50.00.

We approached two school boards, separate and public, for funds and the school board was not interested, but felt we were spending public monies and therefore must be responsible for how these monies were used. No money without control.

The Parks and Recreation Department refused funds to the group because they had their own program and could not see the point of giving a grant to a community group to run its own program. The mothers group

did not want a park and recreation for their children—there has been a history of conflict between the mothers in the area and the Department.

In June the mothers decided that they would organize the program in a better fashion and become incorporated as a society. New more permanent facilities were required and more people who could be in the school on a full time basis and could devote their full time to the children's program. The mothers would take part in working in the school as well as having their own program. Each mother was to work in the school for two months on a paid basis. The mothers also said that there was a definite need for them to have their own bus for transportation.

At about this time the province put out a Request for Proposal for someone to run a pre-school program in the area in which the group was running its program. The group decided to put in a proposal to the government. This proposal emphasized the fact that a pre-school program was much too limiting and went on to explain what type of a program would be desirable. Once again the proposal was rejected—it is interesting to note the money was given to the schools. At present the school is not operating, and the group is planning to reopen in the fall—hopefully by then they will have received some financial assistance, so that the program can have some stability.

The whole idea of the project was set up to provide educational opportunities for both the parents and the children. This is certainly not done in the school system and is one of the reasons that the school has had a hard time getting financing. Another reason is the fact that the mothers want to have the major say in the control and development of the program for their children and themselves. The program will no longer be unique if it allows itself to be sucked up into the school system.

Mr. Denis Bartell: Denis Bartell, Sturgeon Valley Housing Co-operative. As you probably know, a housing co-operative consists of a group of people who make a down payment on houses, and then own the housing development co-operatively. There is no individual ownership. You might wonder how the concept of a housing co-operative might be related to the problem of poverty.

I think it is related in several ways. For one thing, our co-operative which was just recently formed, with the aid of the Social Planning Council intends to have a mixed community. That means people from all

income levels and all walks of life, all ethnic groups and what-have-you.

For example, several church groups have volunteered to buy shares for welfare people. They would be in there with working people, the sort of people who have steady jobs, but who oftentimes cannot qualify for CMHC mortgages. The two groups, when they are in there, might learn a little bit about each other.

Working people are often upset with welfare people because they think they have no initiative, but as we know, oftentimes working mothers, fathers, or ones who are not working, cannot because either they make more money on welfare than they would working, and because of the cost of day care and what-have-you, and this is the sort of problem we have to iron out.

From the outset, we intend to build day care centres in our co-operative. We know it is possible because it is being done in other places. A housing co-operative is a place where the people should live in co-operative control. Actually they control all the entire development in terms of placing of units, type of units and what-have-you.

Now housing co-operatives cannot solve all of the social problems that we encounter but they can make a start, and I have tried to give you an idea of one of the ways that they can come to grips with some of these problems, and what is perhaps most important is that the concept of co-operative housing is not a pie in the sky idea. It is not a Utopian dream. It works down East; it works in Western Canada here. In Winnipeg, they have opened a four hundred-unit one in Calgary.

By stressing the concept of a mixed community from the beginning we think we can, in a sense, break into the cycle that Terry and others who are here have been describing and come out with the sort of community that... where all sorts of people can be represented and where all sorts of people can have opportunities to change their lives and become the sort of people they want to be.

The Chairman: Are these recommendations on the back page here?

Mr. Bartell: No, these are not mine.

The Chairman: Would you like to defend them?

Mr. Donahue: I had better defend them. Denis will back me up.

The Chairman: Well not defend them, but explain them.

Senator Pearson: Can you give us a run down on how you organized this co-co-operative, to build these houses? What sort of people do you get hold of first and how do you get it started?

Mr. Bartell: That is a good question. We had the help of the Social Planning Council from the outset, and we also had some lists of people from the city who applied for public housing. We advertised in the paper for people who were interested in having a place and designing their community, and we got marvellous response from all economic people. We got welfare people; we got professional people, professors, working people, and we got them together and we had a series of nine consecutive evening meetings, and that is a lot of time for people to give up.

Senator Pearson: Are these people with homes of their own?

Mr. Bartell: Some of them have homes of their own at the present time. Anyway, the first thing we did was put down their dreams on paper about what they would like to see in a home and in a community and we had students there who could draw, when they heard these things, could draw what they thought they would look like.

Then we had people from various successful co-operatives, especially one in Winnipeg, and one starting in Calgary, come to talk to us and tell us how we can realize these dreams for the co-operative concept. Then we formed our own co-operative, and at present we are having problems for development because we have an option on a piece of land that we would like to work on. Interim financing—we hope the money can come through credit unions and co-operatives and labour unions.

Senator Carter: How many members do you have?

Mr. Bartell: At present?

Senator Carter: Yes.

Mr. Bartell: We are just starting selling shares. We have sold at least thirty or forty shares, but that is only a dollar apiece. Our mailing list is much longer. That is because we haven't really got the material out to them yet.

Senator Carter: How many do you aim at? How many members do you figure you can get?

Mr. Bartell: We hope to develop 400 units, we hope to put in there, and that will be a lot of members, but at least four hundred members.

Right now we need people to help out developing. They are the people who are interested in concepts. They don't want to live there.

Senator Pearson: What about your land that you are getting? Is this within the city boundaries, or is it outside in a new area altogether?

Mr. Bartell: It is outside. It is ten miles.

Senator Pearson: Not serviced at all?

Mr. Donahue: St. Albert is about ten miles north.

Senator Pearson: Has that got sewer and water?

Mr. Bartell: Yes, but this particular site has to be serviced but it is within the town limit of St. Albert.

Senator Pearson: But you would have to work with St. Albert?

Mr. Bartell: Yes. We have been in contact with the town councillors there.

Senator Pearson: How much do you consider this would cost? Have you got any figures at all?

Mr. Bartell: Yes, we have some idea from the costs that are projected by the Calgary group.

Senator Pearson: How far out are they?

Mr. Bartell: I don't know. The Calgary people have 400 units. They have their land, a large down payment on it and they have the design of their units, and they are talking about \$800 to \$900 down payment. This is whether it is a three-bedroom or four, and the monthly payment including everything except telephone would be about \$160. I think they are talking about units being built around \$15,000.

We got a grant to run these meetings from Robert Andres of Central Mortgage and Housing.

Senator Pearson: To open your land, are you making arrangements for parks and playgrounds?

Mr. Bartell: From the outset, this is going to be one of our most important selling points.

I don't really think we can sell shares in this co-operative unless we design, you know, extremely good—that is the wrong word—but community facilities.

In Calgary, they are putting in three day care centres. They are going to be a community from the outset. They are going to run their own affairs.

How many neighbourhoods in this city or any city for that matter can do that? Very few. And that is why we think, and I'm certain the experience in Calgary shows this, with the sales pull they have had, that this concept is going to work. It will be a success. Then there will be people moving out, I predict, moving out of their homes in order to live, especially with growing families. You won't be able to get the facilities of that quality elsewhere, and what is more, you will have a voice in the way they are run.

As I said, we want welfare people in there. We want one-third of the people on fixed incomes. That means pensioners and welfare people. There are church groups who are willing to buy shares for these people.

The Chairman: The Senator is an architect. He is very knowledgeable about these things. Would you like to talk to Mr. Donahue for a minute?

Senator Pearson: Are your units all separate or in block?

Mr. Donahue: This is something that came out of... from it, that there would be a variety of designs for that number of units, and this has been experienced in Winnipeg.

There has been movement within the development that people who have come from a two-bedroom house to a four-bedroom unit, and the reverse of that, so the kind of units, we have not sort of fixed that onto a plan as yet, but from this program that Denis is talking about, you could see many different sorts of design. Some of them could be cluster housing or row housing or terrace housing.

A lot of this, of course, is controlled by the by-laws of the town of St. Albert, although I think the most discouraging one out there in St. Albert is that they are not too interested in this kind of low income housing. This is the way they look at it.

Senator Pearson: They would have to abide by the by-laws of St. Albert. What about your taxation?

Mr. Donahue: That is a problem in St. Albert that to every unit they attach a \$5,500 assessment.

Senator Pearson: Joined units would be cheaper than individual units?

Mr. Donahue: No. \$5,500 was individual units. The terrace unit was a slightly higher assessment.

Senator Pearson: Per unit in the...

Mr. Donahue: Yes, and this is because of their limited tax base which is strictly residential. For their schools and hospitals that is their only source of income, and they have done this.

I think today they have become quite satisfied that it has given them a very nice middle class residential community. And although I feel it was devised in the first place to solve a real sort of tax problem, today it becomes a little bit of discrimination—if discrimination comes into it in that it keeps them all very interested, and although we were given a welcome to the town when we started our Sharette, I think possibly that the design could be built into the place and the idea of a community, no one would be able to say who was who in it.

Senator Pearson: Single storey or two storey?

Mr. Donahue: Some of each.

Senator Pearson: A full basement?

Mr. Donahue: Yes. This is what they do out here.

The Chairman: What did you say the cost would be?

Mr. Donahue: Well, because it is a continuing co-op, it is an owner-rental type of arrangement, and you make an initial down payment of \$800, which is your equity in the thing and then you pay a monthly charge of \$160,000 which includes all your utilities, except telephone and this is what you are paying.

The Chairman: Then it is on a rental basis?

Mr. Donahue: It is ownership basis in that you have control of that building and you have your share in the co-op.

The Chairman: Supposing I die and my wife wants to leave?

Mr. Donahue: This is a question that came up many, many times. This is a question, I think, that most people who came to Sharette, one of the first things "what do I get out of this? Who gets the profit?"

First of all, you are on a management committee. You are represented on that because you are a shareholder. You decide whether your equity will be increased, or whether you want to put it in homes for the old aged, pensioners or a day care centre. In other words, whether you get back the first \$800.00 that you put into it, or whether there are other benefits, you are the one that is deciding it. No one outside of the development is deciding that for you because you are a controlling member.

The Chairman: You mean I can always get back the \$800.00 and perhaps something else?

Mr. Donahue: Yes, and you would decide that for yourself.

The Chairman: But my original principal?

Mr. Donahue: Yes.

The Chairman: The other is rental?

Mr. Donahue: Yes.

The Chairman: No one loses out.

Senator Pearson: In these units what fixtures do you put in?

Mr. Donahue: Because of the advantages of mass buying, you would have also your laundry facilities.

Senator Pearson: Something like an apartment? You would have the services you needed?

Mr. Donahue: The people in Calgary have been able to buy bulk purchasing for their gas and they are having a problem with Calgary Power to get their electricity, but it goes through a bulk meter.

The Chairman: Where is the first mortgage coming from, Central Mortgage?

Mr. Donahue: This is where the Calgary people have been promised the first mortgage, from Central Housing. Interim financing was the Prairie Co-operative Union.

The Chairman: Yes, you have been in touch with Central Mortgage?

Mr. Donahue: Yes.

The Chairman: They are interested and they have some experience. If they give them a loan in Calgary, they will have had some experience on this.

Mr. Bartell: We got the money directly from Mr. Andress. I think the local co-operative doesn't have too much experience with the co-operative concept.

The Chairman: Central Mortgage will have had the experience with Calgary by the time you make application.

Mr. Bartell: Yes.

The Chairman: Do you know whether they will or not?

Mr. Donahue: This we don't know. As yet we have not had any firm promise from Central Mortgage and Housing.

The Chairman: Has the Calgary group had a firm commitment?

Mr. Donahue: Yes.

The Chairman: You know that will be done. What I am saying is that they will have some precedent.

Mr. Donahue: Oh yes.

The Chairman: Precedent is a very useful thing.

Senator Carter: Before you leave that, where do the welfare people set up into the scheme? How does the person on welfare get into this housing development?

The Chairman: \$800.00.

Senator Carter: Does he get it into the rental unit or home-owner unit or how?

Mr. Donahue: Say a church group would buy a single parent family a share.

Senator Carter: For one dollar?

The Chairman: Eight hundred dollars.

Senator Carter: You said one share. Are you talking about one one-dollar share?

Mr. Bartell: Say an eight hundred or nine hundred dollar share. This is the kind that would get you a unit. Now welfare is already paying their rent.

Senator Carter: Yes.

Mr. Bartell: All welfare would have to do would be to take over the rental payments to the co-op and usually this can save the city or

the province or whatever money because you get more housing for less money generally in a co-op. At least in the experience that co-operatives have had so far. And it seems to me that a person living there has the advantage of community facilities, and also a voice in running the community.

Senator Carter: What I do not see is the economics of it, because while a government is paying rental, that is true, they are usually paying rental for sub-standard housing, and you are going to provide new housing. How are you going to compete in price?

Mr. Donahue: Experience in the city here, I think they could be paying \$250 for a slum house.

Senator Carter: Here in Edmonton?

Mr. Donahue: Yes, for a large family, which is very difficult to find in Edmonton. Edmonton's stock of old houses is very limited because building is all pretty well post-war. You go back, say, in two building cycles in Edmonton which are in the twenties in a small amount in the thirties, and then of course the great boom came with the oil industry. It is not like other cities where you do have a backlog of old houses. So housing can be pretty desperate and it can be a pretty high price. Here is a unit of, say, \$900 down payment somewhere around \$160 a month for the payments for three or four bedroom house.

Senator Carter: This down payment would be a donation from somebody?

Mr. Donahue: Yes.

Senator Carter: From some philanthropic person?

The Chairman: Well, church groups.

Mr. Bartell: They have already volunteered.

The Chairman: I am a little puzzled by the problem, which Senator Carter just raised. When you talk about the three and four bedroom houses, you are talking of pretty large housing. They are not going to run that size? A very small portion would run to four bedrooms?

Mr. Donahue: Three is average, and two for a new family. I am doing public housing in the city and they have five bedrooms.

The Chairman: \$160.00?

Mr. Bartell: It is pretty low.

Mr. Donahue: I think you could ask some of the people here that have the experience. I have someone here that pays \$300 a month for a house. It is the kind we remember down East. It was a two storey with an attic.

The Chairman: How many families live in it?

Mr. Donahue: Today you might find two families living in it.

The Chairman: But you see housing allowances generally across the country are nothing like that. You should check them here, and you say this is possible?

Mr. Donahue: To pay that much? \$160?

The Chairman: Yes.

Mr. Donahue: I think you are going to have to pay that.

Senator Carter: I have some other questions of Father Barrier. I don't quite see how your fellow escapes. How you get him out.

Father Barrier: I think we have not devised a way to get him out of the system. It doesn't seem anybody can get him out of the system. It is not some superior force that will get him out. The only thing that we have to recognize is a certain culture that may be coming in conflict actually with the majority of culture.

The transient member is possibly the bottom of the heap, but we have also the sub-culture youth people and maybe the people on welfare compared with the rest of society.

Native people when they come to urban centres are bringing with them a sub-culture. This conflict, this fight with the urban centre; actually the men on Skid Row or the transient men here in the city of Edmonton seems to be provided for, but as a matter of fact we keep them in this type of situation because we don't really consider their values as being worth considering.

We believe that these men to be able to make it in our society will have to convert in some way or another.

Senator Carter: Society has got to be governed by some values and your problem was that the system they have got into is governed by traditional values.

Father Barrier: Yes.

Senator Carter: And now they bring in different values and you have these conflicts. I don't see yet how these conflicts are resolved. Are you advocating changing the traditional values? What is the solution to this?

Father Barrier: Our solution is maybe reconsidering our traditional values. Are they really values that help growth of every human being? Or are they choking some individuals?

We have a conflict right now in our urban centres and especially where some values are choking some individuals that prevent them really from growing because we consider the person has no value of his own; he is unfit to live within a very good and affluent society. He is not a consuming power but a very well established person is, and yet he is still a human being.

Senator Carter: Well, I can see that, but the values you listed here are not too bad: comparative winner, personal skill, competency, education, financially secure, ideologically sound, and so forth, and they consume; that is credit rating and that sort of thing. The other fellow has got different values. They don't own anything. They don't compete. No basic income. Practically the opposite.

It is not a case of where you can find a middle way between these two opposite sets of values. You have either got to reject them or accept them. You have to accept one or reject one.

Father Barrier: We have to devise a solution, of course, we say that actually we have devised alternatives. We have not devised a solution because we don't think we can. We have possible solutions. We feel that the men, these men, transient men, with different values from the established people in an urban centre, would have to, first of all, be given a chance to be themselves.

I feel that instead of being sort of herded into a centre like a hospital, they should be able to have an open centre where they could go in and where they could eventually be given a chance to express their own personal values, because I personally have been in contact with these people for about three years now, and I think even if they have no ownership they have other human values that are perhaps good and quite profitable perhaps for everybody.

I believe every culture has its own qualities and its own defects and this is the same with transient men. It has qualities, but it has

defects also. We reject the whole man because we see only the defects. If he should have some insight into his own qualities, and into his own culture.

Senator Carter: Where would you put him when he first comes in? If you don't send him to the hospital or Salvation Army—or if you don't send him down to the overnight shelter, where he sort of does penance until he sobers up, where would you put him? What kind of a place are you going to put him in?

Father Barrier: I think there must be places that provide for him, that is not merely staffed by people from outside, from the established society, but he has a say where he can devise his own set up, his own policy and so forth, and I believe in this centre he should be able to express himself, to express his own values, which would develop even his own values.

The Chairman: I have values too. Tell me, when you talk of the culture of the groups, of these men, what do you mean by that culture?

Father Barrier: Sub-culture. The positive values. The positive values of each man are human values. They relate to each other. They seem to have a companionship. They have certain rules, by which man does not feed upon his fellow man. He will get in trouble for his fellow man. He has nothing perhaps to lose because he has absolutely no material goods, but he will support his fellow man.

Eventually if he wants to get out, he might get out with another group or other men. If he is caught in trouble, he will never be caught out alone. He will always be caught with others.

Their values are perhaps what we consider gregarious values. As a matter of fact, they are, rather, companionship, mutual understanding and support. They consider each other as neighbours, really.

Senator Carter: They accept each other as human beings.

Father Barrier: That is right.

Senator Carter: And the other people, with all their superior values, they are not prepared to accept them as human beings, as having individual worth. That is the main difference, isn't it?

Father Barrier: Yes, it is.

Senator Carter: So that is what you want. What you want you have got to change the philosophy and not the values.

Mr. Donahue: One of the first things, I think, is toleration. If we could at least tolerate these people.

Senator Carter: Yes.

Mr. Donahue: I find from what little sort of contact I have had, we don't leave them down there, but I think we destroy them at the same time, and you can see this happening. People say that they won't work, but that is not the situation as you are well aware. They are not educated and they are not physically sort of capable.

An example I think of is the cowboy who comes here. He was out on the range, a real adventure chap, that was always admired, and he is going to the city because of health, but he is not allowed to live in the city and you can see the man being destroyed.

Senator Carter: But that is only the same thing that we were told this morning, that the single heads of families are not accepted as human beings. They are rejected by society; their children are rejected. Isn't this the same thing?

Mr. Donahue: I think so.

Senator Carter: The only difference is it's a different group of people.

Father Barrier: I think we should have an examination of conscience and see if the values by which we live are human values, and I think perhaps these people have something to teach us.

Senator McGrand: You asked what were his values, whether he has the same instincts as what we find in the so-called accepted people. Now, it is not inferior but different, and perhaps the weakness (we had this morning and we have talked about other people being unaccepted and snubbed), perhaps the weakness is not with those groups, but with these so-called acceptable society.

Father Barrier: Yes.

Senator McGrand: That is where the weakness is.

Senator Carter: That is where the problem is.

Senator McGrand: Now the problem with those people, they are only caught up in the

circumstances. The problem is with the so-called good people.

Father Barrier: It might be. I'm not going to judge myself one or the other. Personally I accept everybody as human beings, and one of the things that I have to consider, however, that a lot of people do not make it in our society, some of them it's because they are incapable of making it because of some circumstances.

Some of us, because of having voluntarily dropped out of society, because they cannot accept our values, and most of the people I met on Skid Row are suffering from one ailment or the other, and I believe that better treatment would help these men, these men which have values, and I am sure they would like to be competitive, especially the men that have been war veterans.

They are men who have spent their life for their country. They put their lives at stake for us, and I feel that these men are still wanting to be recognized as human beings, and that they would like to be competitive.

Senator McGrand: And they have done menial work too.

Father Barrier: Yes.

Senator McGrand: On page one, I think it is, you give a definition of poverty that is a bit unusual to come before our group. You say:

Poverty is a psychological process depriving individuals and families of material comforts, human dignity and fulfilment.

Now, this is a rather unusual definition for this group to get, and I like it because it is different. What I like about it is that it opens up a new approach, what will continue to be a national problem from now on.

Do you see the possibility of poverty in all its aspects, volunteer groups, civic and provincial governments with federal participation, operating under one umbrella, so to speak, to control property in contrast to the piecemeal approach that has existed up to the present time, because poverty is going to be with us? It is not just pockets. It is something that is a national thing.

Do you see the possibility of it being approached and controlled sort of under one umbrella? Now maybe I have not expressed this myself.

Father Barrier: I know what you mean, although I do not think that it would be the

solution. I don't think it could be controlled by government, by laws. I think that all of us people must recognize what is happening to all of us.

Senator McGrand: I include the volunteer groups.

The Chairman: He is thinking of something beyond that.

Senator McGrand: We are looking at two different things.

The Chairman: He is a little out of this world. Go ahead, Father.

Father Barrier: I feel the only way of controlling poverty—this is my own personal belief—is by recognizing my fellow man as my neighbour. I have no right to step on toes. I do feel that if the government is making just laws, it will be a step forward. I cannot despise anybody, and if everybody gets into the picture and accepts, he has the responsibility for his fellow man—"am I my brother's keeper?"—and I believe I am, and unless we do that, I do not give a chance to our society as it is now.

Senator McGrand: You don't give a chance to society to survive?

Father Barrier: Yes.

Senator McGrand: I agree with you.

The Chairman: Do you mind, both of you, telling me when it is going to stop surviving?

Senator Carter: I just want to follow up this definition. I am not so sure that I agree with your definition altogether. I agree with part of it. You say that poverty is a psychological process. I agree with that. Depriving individuals and families of material comforts; I agree with that, and of fulfilment, I agree with that. But I'm not sure I agree that poverty deprives an individual of human dignity.

Father Barrier: It does.

Senator Carter: No, I think he has some human dignity. He has some human worth as an individual, no matter. It is our assessment that is wrong. You don't blame that on poverty, though. That is us.

Senator Quart: But is he accepted?

Senator McGrand: That is the same question I raised a while ago.

The Chairman: It is not the man. It is you and I who assess that. That is the difference.

Senator McGrand: It is the so-called affluent society that rejects them.

The Chairman: Let us get back to this. Recommendation Number Two: Tell us what you understand by the guaranteed income concept. That is the question I asked you. Both of you are professors, you and Mr. Bartell.

Mr. Donahue: I heard yesterday a radio programme on the CBC discussing what was guaranteed annual income and there were different people, I take it, who had phoned in and who had given their opinion. One man said he thought that guaranteed annual income was a good idea provided you could screen out those people who didn't deserve it.

So once you put that factor in it, this is back to the same old question.

The Chairman: You tell me what your idea was before you heard that.

Mr. Donahue: I think that today our society is wrapped up enough in material goods, and technology that somehow or other we have to make an equal opportunity for everyone, and we put in our second conclusion here, "a reasonable degree of satisfaction of life for everybody," and we say that in sort of contradiction with the idea of the greatest happiness for the greatest number and we think everybody should have something. Greatest happiness for the greatest number is something that we have read and were taught in school, but is something that still left somebody out of something, and I think this is what the guaranteed annual income is: is to prove to ourselves what is really a fact that there is enough goods in this world for everyone that in some fashion can be shared. Do you mean figures?

The Chairman: Do not give us figures. We can get that ourselves.

Mr. Donahue: Well, the quote I made of Henry Ford which I guess was in this week's *Time* magazine was something that was stated by him, the President of Xerox and people like that: they see that there is this wealth, and I think they are talking about annual income and I think it is a question of survival as well. Somebody says you begin to worry about your factories in Detroit if there is another riot.

Senator Carter: That is what he is getting at. You can't have social revolution and preserve the basic ideas on which we are operating at the moment.

Mr. Donahue: We were not thinking of guaranteed annual income as being another exchange of welfare.

Senator Carter: Just another change in the system would not be any good. You have to change the whole philosophy; the whole approach.

The Chairman: We will go along with Senator Carter and go along with you; and a change in philosophy, the concept runs something like this: a minimum allowance income, work or no work, worthy or unworthy.

Mr. Donahue: I'm not too sure about the minimum sort of thing. I think it should be reasonable.

The Chairman: We speak of it as a minimum allowance. It is an allowance. Basic income—is that better?

Mr. Donahue: Yes. All right.

The Chairman: Work or no work? Worthy or unworthy? Would that be the concept?

Mr. Donahue: This would be the concept I would say.

Senator Pearson: Would you consider carrying on with all our other welfare programs, plus you guaranteed income?

Mr. Donahue: I am not on one of the agencies, but I suppose this is a question that would bring on a revolution quicker if you cut out all the welfare payments.

The Chairman: I have never known a Donahue who was not for revolution. I am satisfied. Mr. Bartell, have you anything to add?

Senator Carter: I want to speak to this lady, to Mrs. Stacey. You are on welfare you said?

Mrs. Stacey: Yes.

Senator Carter: And you have how many children?

Mrs. Stacey: Four.

Senator Carter: You said something about having to fight education to get an education. What did you mean by that?

Mrs. Stacey: I need an education in order to support my family, the size that they are, and being that requires and will require further education myself as a parent it is my responsibility to see they have financial backing to give them this education.

I am more fortunate because I am quite outgoing. I was able to get into the education by just going and making myself heard and asking, but there are many who are not able to do this.

Senator Carter: Are you studying yourself?

Mrs. Stacey: Yes, I am.

Senator Carter: At night?

Mrs. Stacey: I am taking a night school and waiting to enroll in school the 1st of September.

Senator Carter: How are you going to manage that?

Mrs. Stacey: Welfare is helping me. It is a pilot project in Alberta.

The Chairman: Where did you ever get the idea that education would help you?

Mrs. Stacey: Well, I have worked as a cashier. I am a qualified cashier, and I have found after coming home and having to look after three little babies, four little children, working eight hours a day being on my feet, it was impossible to be a mother, father and help-mate to these children that is necessary for parents nowadays. I was absolutely completely exhausted.

I realized that unless I am in a position where the work was enjoyable where I could mentally be exhausted—at least physically—I was not on my feet eight hours a day or if I was I would not have to strain myself, and the only way a woman can do this is through education, so whether she is a counsellor, a teacher or a nurse, if this is her way of working it is something she has got to do because she wants to do it, not because she has to do it to feed three or four children.

You can do all sorts of things if you are doing this, and if you have an education open to you and you are getting a position at the pay rate. Financially I am much better off having a university education than we are being a waitress in a cafe or being a cashier.

The Chairman: Could you have an education before you were married?

Mrs. Stacey: Quite possibly I could have, yes. I found, as many of our dropouts do, that life was much more interesting outside than it was inside the school.

Senator Carter: You have learned a lot since then?

Mrs. Stacey: Very much.

The Chairman: I think the key answer you gave was that she was not only building up for herself but for her children. That is the crux of her answer.

Mrs. Stacey: Our facilities here in Alberta are very good as far as offering us education, but we don't have enough of it for the amount of men and women who would like to be re-educated to get out of this system. Unless you have certain standards you can't get out of it. I had to take an I.Q. test to see whether or not I was eligible.

Senator Carter: The Manpower Training Program was no use to you?

Mrs. Stacey: Well, to a degree. Well, if I had been looking for a job for three years, fine, I was eligible, or if I had just got fired or something of this nature. If I was disabled. But I wasn't. I am a healthy Canadian girl and I hadn't been working because I had been looking after my children. So it was through my welfare officer. They got me into this.

The Chairman: It is this crazy rule of six months not working. She could not qualify but she could have come under the Canada Assistance Act where they have a program.

Senator Carter: That is right.

The Chairman: And that is what she is under. Alberta is the only province in Canada that has taken advantage of it. The alternative to the Canada Manpower Act.

There is provision in the Canada Assistance Act, and we discussed this, where if they fail to qualify on an educational basis the province can set up standards of their own and the government has to pay. Alberta is the only province that is doing it, and that is exactly what she is doing in her case. She is doing well; she is using it well.

Senator Carter: It is a good case history example.

The Chairman: It is right on the nose,

Mrs. Stacey: Some of the pressures mentioned before. We have to fight this plus raising a family. The financial needs we have.

The Chairman: You could be fighting it as much as you like in other provinces; you couldn't win.

Senator Carter: Mrs. Williams, you started out a little project of playgrounds and so forth, and then the educational people wouldn't have anything to do with you at the beginning and then it turned out you had better ideas and wouldn't have anything to do with them. That is how it worked out, isn't it?

Mrs. Williams: Yes.

Senator Carter: Now what I would like to know is where your ideas were superior that you didn't want to get mixed up and you end up by saying you don't want to get sucked into the educational system because we are interested in the deficiencies of educational systems that produce situations like you describe.

Mrs. Williams: The main reason would be in this program the mothers are included, and the mothers have a say in the program, whereas in the school system they don't have that; where the mother doesn't really have a say. The program is set up by the people, you know.

Senator Carter: How many did you have to start off in your program?

Mrs. Williams: How many children?

Senator Carter: How many mothers and how many children?

Mrs. Williams: There would be 30 children. About 15 mothers.

Senator Carter: What ages of children?

Mrs. Williams: The children were three to five.

Senator Carter: What did you want to accomplish that the regular system could not accomplish for them, or what did you see that you were doing that you could not get from the regular school system?

Mrs. Williams: The mothers, like I say, had a say.

Senator Carter: Yes. You had some control?

Mrs. Williams: And they were included in the program. They took part in the program. They went down to the school and volunteered where we have the school going, and also teaching on a voluntary basis.

The mothers picked the children up and they helped out at the play school. And the mothers were there and could see what was going on. In the new program that we thought of the mothers would be included in a different way where the ones that couldn't speak English—there are a couple of Italian families.

The Chairman: We have your point now. How old are the children?

Mrs. Williams: Three to five.

The Chairman: What you are saying in effect are that these children were learning faster than the mothers.

Mrs. Williams: Well, the mothers that couldn't speak English.

The Chairman: We have had that same thing. We are aware of that, and we have had that problem wherever we have touched immigrants. That problem exists for a little while and the children learn English. The fathers are out working and the mothers are at home. We are trying to put education into the house. That is what you are trying to do?

Mrs. Williams: Yes.

The Chairman: They stole your idea?

Senator Quari: May I ask—it took about six months for a number of groups who are boycotting the program to...

Mrs. Williams: Well, these were groups that didn't like the program that should be included—well, sort of gotten into the school system somehow because it was not part of the school system and they could not see that; but it is still along the same line as the other play schools but they want to sort of operate on their own.

Senator Quari: Were you one of the organizers of the group, of the initial group?

Mrs. Williams: No, I am not.

Senator Quari: Yet you are representing them today?

Mrs. Williams: Well, I have got two children going to that school. I am sort of taking part. Since I have got them into the program I

liked it and my concern is that up to now we have not been able to get any funds, and I fall into the category that I can't afford attendance of my children.

Senator Quari: Are you optimistic that this program will be continued next year?

Mrs. Williams: Well, I believe we can get funds somewhere, somehow. The program itself I am optimistic about.

The Chairman: On behalf of the committee I want to thank Mr. Donahue and all the people he brought with him. You all made a contribution. This is very satisfying work. Mrs. Williams has just said something that is really worthwhile listening to: we will get funds somewhere, somehow.

Senator Quari: That is what I like about it.

The Chairman: That has a value all of its own. They are not beaten. They are not defeated. They are not shattered. They are in there putting up a good fight. It is for us to see if we can't possibly help a spirit of that nature.

On behalf of the committee, Mr. Donahue, and your people who performed a labour of love, thank you very much.

The Chairman: Our next presentation will be made by Unifarm, a farm organization in Alberta. Their brief has just been handed to us, so that we have not had any chance to read it. I will ask Mr. Paul Babey, who is the president of the organization, to read the summary and recommendations and this will put the picture before us.

Mr. Paul Babey, President, Unifarm, Alberta: Mr. Chairman, I am Paul Babey, President of Unifarm, which is a unique farm organization in Alberta. I am accompanied by Mr. Elmer Allen, our research economist.

Mr. Chairman, members of the Senate Committee on Poverty, I want to apologize for not being able to have the document ready, but at least you will have the most up-to-date copy that was possible because the ink is barely dry. We both have farms in Census Division 12, and this is where Alberta's poor reside.

Senator Pearson: Whereabouts is that?

Mr. Babey: Northeastern Alberta.

I am going to turn to the summary and you will find it at the back, following page 25.

There were over 29,000 farm families in Alberta who were living in poverty in 1968 on the basis of taxation statistics. The assumption is made that families are living in poverty if their total family income—excluding non-taxable transfer payments—is less than their total exemptions and deductions allowed for individual families under the Income Tax Act.

In spite of the fact that the total physical output of agricultural production and per capita production in farming reached an all time high in 1966, one half of the farmers in the Province were still non-taxable during the taxation year 1966, 1967 and 1968. Net farm income has been dropping since 1966.

If we ignore income in kind, net income per farm dropped over 43 per cent from 1966 over 1969. On the basis of 1969 farm income and outlook for 1970, one half the farmers will continue to remain non-taxable.

Considering the fact that the cost of living has been increasing rapidly and wages and salaries have been rising for many others to keep up with inflation, farmers are actually worse off now relative to the rest of society than they were a few years ago.

There were nearly 1,200 farm families who were receiving provincial and municipal assistance last year. In addition there were some 2,500 farm families who received special provincial government loans for living expenses because of the short-run agricultural crisis that has developed during the last two years.

Life on the farm has changed rapidly during the last two decades. Fewer farmers have excess of farm grown produce because they have specialized their production. This means that their off-farm needs for production inputs and family living have increased considerably. With the decrease in rural population, the cost of many goods and services have increased as farmers have to travel further to receive them.

There has been a significant increase in numbers of farmers reporting off-farm income to supplement their farm income. In spite of the fact that many farmers sell very little farm produce, their total income from all sources is higher, in many cases, than of those farmers reporting considerably more in farm sales. This suggests that many part-time farm operators, if moved out of agriculture would be made worse off considering the higher living expenses in urban areas.

Furthermore, many of the part-time operators have very limited agricultural resources that could be added to those remaining in agriculture for expansion purposes.

The number of young people entering agriculture has dropped significantly in recent years. Other young people who are farming would like to leave the industry for other jobs if they could. However, they have found many barriers to occupational mobility that need to be overcome. Many farmers like their occupation and are so satisfied with farming as a way of life that they are reluctant to move regardless of the economic benefits they would receive outside farming.

Many farmers are caught on the border line. When markets for their products are unfavourable, incomes drop and they fall in the poverty group. Attempts have been made by farm organizations and governments to stabilize and increase prices by various means. The obstacles in this direction have been exceptionally difficult to surmount. Farmers are optimistic—if they were not we would not have any farmers today—that things will improve next year. In the meantime many live under substandard conditions, hoping that somehow, somewhere, things will improve.

Now, if we could go back to page 21, we have a number of recommendations that I would like to touch on. One of the first recommendations that we suggest is Guaranteed Annual Income Plan for migrants.

Some form of income protection is required for those who want to leave farming. The greatest problem facing individuals seeking a new occupation is the uncertainty of security at their new job. If their income was guaranteed at a satisfactory level for a reasonable period of time, it should encourage more migration of young people. This would provide for more utilization of underemployed resources of human capital by creating more output in the economy, on the long run.

Encourage more on-the-job training by employers—employers perhaps have been reluctant to hire unskilled labour because the output of the employee does not warrant the minimum wage they must pay. However, if the recommendation above is adopted, and the government supplemented part of the wages paid while training on the job, more under-utilized human resources could be employed.

The trend towards hiring only those with higher education does not necessarily mean more productive output. Many rural people

have hidden talent and ambition that could be developed on the job. Some form of government grant could be incorporated to provide some incentive to the employee to complete the training necessary to improve himself.

Potential viable farmers should receive management and financial assistance. Farmers who want to expand their farm into an economic unit should be given assistance. A program should be developed that would make available to the farmer agricultural extension specialists who would assist the farmer throughout the adjustment period. The Rural Development Credit Agency suggested by the Task Force would provide the necessary credit.

If the farmer upgraded himself and improved his income, he should be rewarded by the government writing off part of the loan. Incentives of this type tend to increase participation and the farmers' efforts to to reach a certain goal. We understand such a program is presently underway in England.

Subsidization of interest rates should be provided for non-economic farm units. Unless low-income farmers are given some concession, many will never be able to rise above the poverty level.

Low-income farmers are presently unable to set aside enough income to invest in their business because most of it is used for living expenses.

Agricultural subsidies should be directed towards the low-income sector of agriculture. Subsidies represent financial assistance contributed by governments toward current costs of production. The objective of most subsidy programs is to increase the earning power of a farmer so that he could expand his operation and thus have less need for the subsidy.

With present distribution methods most of the subsidies go to those farmers who now have less need of them. Unless additional subsidies and assistance are redirected to low-income farmers, the value of assistance programs to the poor is questionable.

A special program should be established to enable low-income farmers to acquire land. Many low-income farmers are unable to acquire land because other farm operators outbid them in the market place. A program should be directed toward farmers who have sufficient managerial ability but not adequate capital, to help them acquire more land. This can be achieved through more liberal loans for land, or by government purchase, and

either reselling or leasing the land to a restricted group of small farm operators.

Redistribution of the tax burdens for low-income people would help reduce the number of people living in poverty. Farmers are more receptive to tax reductions than they are to transfer payments that provide the same end result.

Municipal, provincial and federal taxes combined tend to be regressive. That is, the low-income families' tax burden as a percentage of family income is greater than it is for higher-income families. And we go on to indicate an example of the kind of contribution that the lower-income families make. And on the top of page 23, to restate that position, the Carter report states that with exception of income taxes, taxes in general levied on individuals are not equitable.

The report states that property, social security, sales and excise taxes are regressive in most cases. We believe that each citizen should assume a personal financial responsibility for the cost of services commensurate with his ability to pay. The three levels of government should restructure their taxation system to remove the regressiveness with more consideration of the taxpayers ability to pay.

All individuals and families should receive some form of guaranteed annual income. The present social development program—previously Public Welfare—in Alberta does not serve the farm population adequately. Many farm families are living at bare subsistence levels and many do not have enough to cover all family needs.

In many cases children quit school to help provide family needs. This is unfortunate, as it tends to perpetuate poverty in certain rural communities.

A negative income tax plan would eliminate many welfare schemes and help those farm families who are unable to obtain welfare because they own farm assets.

And again we continue on to give you an example of that kind of situation.

Turning to page 24, and recommendation number nine. More industrial development should be encouraged in rural areas. Regional development incentive programs to promote economic expansion are desirable. We are somewhat concerned in Alberta that the Federal Government selected only one "special area," Lesser Slave Lake, and only the extreme southern part of the province was selected as a "designated region," under the

Regional Development Incentives Act. We believe more provincial-federal government co-ordinated rural development programs should be developed to utilize the physical and human resource of other rural regions in the Province.

Farmers must have marketing legislation that would provide more stable realistic prices for farm products. On the domestic level with supply management and more bargaining power farmers could receive higher stable prices.

World prices of many agricultural products would rise if foreign governments did not subsidize production one way or another. Removal of international trade restrictions for agricultural products and more two-way trading with those countries who would purchase more agricultural products should be developed. Canadian farmers are very efficient and have done a good job in trying to survive on the basis of being competitive. However, as long as other industries do not have to play the game by the same rules there is no way farmers can compete.

We make the point that Census data on family income is essential. To date the only economic classification of farmers is "gross farm sales". Such data is completely inadequate as a yardstick in the determination of the economic status of farmers.

Total net farm family income should be reported. This would include net farm income, part-time incomes, transfer payments, plus all other off-farm income.

Cross-classification according to family size and age of the operator would be most useful in keeping track of the numbers of low-income farm families in the future. This should be incorporated immediately into the 1971 census of Agriculture.

Then in Recommendations 13 and 14 I think by and large we deal with recommendations made by the Agricultural Task Force as a part of Chapter 16 on the low-income sector, and I think by and large we agree with most of them.

That is our submission. I might add one final point, in talking about rural farm people, I think the effect of what is happening in agriculture is having its effect on the rural urban centre as well.

Senator Pearson: I was just going to ask do you not think that the problem of the farm, particularly in Western Canada, isn't largely of surplus, either a real surplus of products or a particular surplus? One way or another we

have got too much and we are going into something else.

I understand now we have far too much hay in Saskatchewan and markets are being lost there. You know that hay from Manitoba is cutting down the high production—not the high production but the sale. Isn't it a question of surplus?

Mr. Babey: I think that surplus is certainly part of the problem, part of the current problem, particularly if you are talking about grain and mainly in wheat. But I also think that it is fair to point out that farmers have been encouraged to produce, and they have been encouraged and are told by production this would be their solution, and they responded in a very favourable way only to find out that we run into other difficulties.

Senator Pearson: They are also responding now in other products. That is, take rape and mustard seed and such like. Flax. They are going into that very heavily. This will cut the market price. We are getting into the same problem only in another line.

Mr. Babey: This is one of the dilemmas in the agriculture industry, and really I suppose it gives you an example of the ingenuity of farm people, of how quickly they can react.

And there have been encouragements price-wise in terms of other commodities such as rapeseed and the meat industry, and I think if we overdo it again we will have the same dilemma, and really the end result of this will be transferring the grain problem into other commodities.

Senator McGrand: What is the answer?

Mr. Babey: I think the answer to part of the problem, No. 1, is that in the past historically we have been a production-oriented group, and when I speak about "group" I am speaking of all the extension agencies, our quest of learning, and the farm people themselves.

We haven't really looked at the market aspects. As a matter of fact most of our export people come to buy; we don't sell them. This has been one of the problems, and I think we have to shift the orientation from the production side to the marketing.

But I think also it is fair to point out that in the domestic situation one of the problems we have had within the farm community is that it is accepted we have certain rules in our nation, but agriculture for some reason cannot play under the same kind of rules as

do other industries, and I am thinking of the types of protection that we are extending to some of our industries which in fact interfere with the kind of trade and export position that we could be in.

Senator McGrand: Name them.

Mr. Babey: I will give you an example. Textiles Industry and our trade with Japan.

I think a year ago we had examples but because of our attitude towards synthetic fibre coming in from that country, the Japanese decided they might pick up some grain elsewhere.

And the third point I was going to make on the domestic side, I think if you take commodity prices and particularly food prices, in producer terms there have been hardly any adjustments in prices that in no way have got by with the kind of costs that farmers have had to face, and as a result over the years there has been a continual erosion of income, and you couple that with lack of delivery opportunities (we have a pile-up in the grain industry) and this has depleted any cash reserves that existed in the farm community.

Senator McGrand: I agree with you that perhaps it is a bad deal to destroy a sound agriculture economy in Canada which could sell wheat to Japan because we did not want to have them compete in our textile industry.

But then on the other hand I have been told by two different people in Japan this year that the fields of Japan are piled up with rice that they cannot sell; an over-production of rice.

Here is Japan, a little country, 145,000 square miles, and population of one hundred million. 15 per cent of the land is arable, and yet if they could have an over supply of rice, what chance is there to sell them wheat unless the diet of the Japanese is changed from rice to wheat.

Mr. Babey: It is an established fact I think, and one needs to only take a look at the kind of export that we had to that country in terms of wheat, that their diet has changed, and it is going to make another change from wheat to the foods that have higher protein. I think the potential in red meat is going to be—and this is one shift that might be made in Canada—from grain to meat. That kind of market.

Senator McGrand: Alberta beef.

Senator Pearson: But the rice they are now producing is not the same quality of rice they

used to have, and it is not satisfactory to the consumer. That may be one of the reasons why it is piling up so much.

The Chairman: Have they changed?

Senator Pearson: The quality of their rice, as I understand it, is somewhat like a glue when they are boiling it, instead of like the old rice. It doesn't boil up the same way at all.

Mr. Babey: I think the key to this, their preference is probably bread now and not rice.

Senator McGrand: You said that the northeastern section of Alberta is the area where you have the poorest hardest luck farmers?

Mr. Babey: That is one of them.

Senator McGrand: I would like to know why that is. Is the land in northeastern Alberta not as good as southwestern?

Mr. Babey: I think that there are many, many reasons, but by and large the land is not as productive as it is in several areas. Secondly, a lot of it, you run into obstacles such as very small fields in between sloughs, and the question of stones. It is a stoney type of condition in many cases.

Senator McGrand: It is poorer land?

Mr. Babey: And I think the other thing, too, is that this area was probably settled about last. Many people moved from some other areas where they have a very bad farming experience; crop losses of one form or another, and they moved in there because this was about the last place where you could pick up land fairly reasonably, and people had hoped they could start up all over again.

Senator McGrand: What do you mean on page 24, "More industrial development should be encouraged in rural areas." What do you mean? Everybody I talk to seems to feel there should be industrialization in every little town in Canada. Every area that is down at the heels someone says we should have industry here.

Now, there is a limit to what can be produced in a different type of manufacturing. What would you say the industrial development of these areas should be, and then you made reference to Lesser Slave Lake, and a funny thing, I had read about it; I had read that article and I have forgotten the objective.

Mr. Babey: I think basically the point that we are making is that if the government is going to provide incentive we would like to see incentive we would like to see incentive provided but that industry would be located in a rural area.

I have had an example recently where a substantial government grant was provided for a fertilizer plant, but it was built, you know, within driving distance of Edmonton. But because the designated region came up that far, they were able to do it.

Our point is if we are going to provide public funds as an incentive for building an industry, let's get it to where we are; take employment to the people because you have in many of these regions a situation where people would be employed and this would provide a sufficient portion of off-farm income and part-time employment providing the industry was moved in that area.

Senator McGrand: Then you mean a decentralization of industry, and when you say industrial development you mean de-centralization. You have two large centres in Alberta.

Mr. Babey: That is right.

Senator McGrand: Half a million people, and the rest are comparatively small places, and you mean it is just as convenient to place some types of industry 100 miles east or west of Edmonton as it is here?

Mr. Babey: Right. We believe if they should be eligible for our grant, then they must be.

Senator McGrand: You don't go along with this idea that there should be fewer farmers; get them off the land? Put them into larger units? Instead of having three farmers, have one and the other two fellows can get training and live in the city somewhere? You don't go along with that?

Mr. Babey: It is very difficult to buy that kind of position. How do you justify moving people out of one of the most efficient industries that we have got? It is fine to say that we will take a farmer out of his industry because he is under-employed, but where do you put him? Do you put him in the completely unemployed? Right now we have more unemployed people than we have farmers in Canada and I believe society and the people concerned are much better off if these people are under-employed rather than if they are unemployed.

Senator McGrand: I agree with that. I was trying to find someone who agrees with me.

The Chairman: I think every member of the committee agrees with that. But what he is saying, in effect, is let the farmer farm. Let him continue to farm, but on his off-farming season he has got to be near enough to industry to take an off-farm job.

Mr. Babey: This is one approach.

The Chairman: But you are talking about industry, instead of being close to Edmonton have it close to there. That is the concept, is it not?

Mr. Babey: Yes, that is one of them. This would fit the employable age bracket. I think we also have to look at the age level of farmers in Canada, and the average is somewhere around 57, and it is climbing. So, the group that is employable, this will suffice, but there is another group, people getting up in years, but I think we are better off to leave them where they are, even if we have to supplement their income, to live out their years in decency. I do not think we should spend any more money in retraining, because there is not sufficient time left for them.

The Chairman: We around this table share your view. Pearson sold us that view some time ago. You don't move those people out at all. You leave them there and look after them.

Senator Carter: I am a fisherman, not a farmer. How long has this organization been in existence, Unifarm?

Mr. Babey: Since the end of March this year. It is a unique organization. The attitude in Alberta has been...

Senator Pearson: They didn't want to join the farmers' union?

Mr. Babey: I was president of the farmers' union. We had two provincial farmers' organizations, and the attitude of the Alberta farmers has been this: we could do much better by working very closely together, so we put them both into one and called it Unifarm.

Senator Pearson: It is not a co-operative organization then?

Mr. Babey: It is an organization that is made up—part of the structure, 50 per cent of it, is the direct membership just like you have in the farmers' union as it used to be, where you have direct dues-paying membership.

The other half of the representation comes from all the producer-owned and controlled cooperatives and commodity organizations.

Senator Carter: So there is no cooperative management of these farms? You don't provide general services apart from determination of policy maybe? You don't provide management services to any farms or anything like that?

Mr. Babey: Through our organization we have not yet developed to the stage where we are providing management services although we have been looking at this. But we are providing a host of services.

We supply services in the field of accounting, but not to the extent of providing managerial competence. We provide insurance services, practically a complete line, including any personal problems that any member might have. He has the organization at his disposal.

Senator Pearson: Have you any idea in your organization of making it more readily available to get parts for your machinery and that? They are getting so far apart now that you drive 100 miles for a small bit of machinery part to keep going working. It seems to me there should be some agency that has parts for all machinery so that they could be handled from one central area.

Mr. Babey: When we appeared before the farm commission that was looking into farm machinery, one of the proposals that we made was the multiple-agency concept where all the machine companies would use one agency and they would line their equipment up with a price so that the producers would have an opportunity to compare, and this is I think what you are getting at, but I don't think you will find very much enthusiasm as far as the companies themselves are concerned.

Senator Carter: In an organization like yours, is there any way in which you can get together and do bulk purchasing and provide services of that kind?

Mr. Babey: We have our farm supply cooperatives, and certainly our organization encourages farm supply cooperatives to use their facilities, and indeed cooperatives have effected very substantial savings. But I think even cooperatives are limited in how effective they can be because they do not manufacture the product in many cases. In many cases they just purchase it on behalf of the producer, so the only advantage you really have is

the volume purchase that you make. I do not think they are the only factor because I think by and large manufacturers that produce the commodity control the prices of them.

Senator Carter: And are most of your members what we call family farms?

Mr. Babey: I would like to think that very few if any are other than family farms. I would think all of them are.

Senator Carter: Practically all?

Mr. Babey: Yes, but they vary.

Senator Pearson: They vary in size?

Mr. Babey: And we have incorporated family farms as well.

Senator Carter: What proportion of the total farms do you represent then?

Mr. Babey: As an organization?

Senator Carter: Yes.

Mr. Babey: I would say since we put together Uniform and the organization that we have, we would represent more than 95 per cent of the farmers in the Province of Alberta. In the direct membership side alone, our membership is over 30,000 this year, and out of 45,000 commercial farmers in the province I think this is a pretty high percentage.

Senator Pearson: Talking about the market, have you made any study of marketing at all? Developing marketing?

Mr. Babey: I think in a limited way. We have been interpreting extension agencies, governments, and indeed we intend to become involved ourselves.

I would not say we have made a complete study because I think our agricultural industry is dependent on exports, and the international field is certainly a big one to undertake for any organization.

I think looking at it from the standpoint of the food industry in this country, unless we can develop international markets and be a factor in selling in the international arena, our small population here would stint the agricultural production to such an extent that there could be very few people engaged in the industry.

Senator McGrand: What is the future of the family farm or the farm population in Alberta holding its own numerically in the future?

There is a glut at wheat in Western Canada. You have just talked here a few moments ago that you could transfer that glut in wheat to a glut in rapeseed and mustard seed and so on. So if you keep production capacity at its present level, whether in wheat or regardless of what grain it is, you can still transfer from one glut to another.

You can't go on forever with one glut after another. Something is going to deteriorate. And in the face of this, what is the future of the farm population of Western Canada if it is going to be faced with curtailing its activities or face gluts?

Mr. Babey: Well, I think the most difficult part about gluts and really, you know, there is a reason why this happens. There are two things that come to mind. One of them is that we have never really sat down and tried to plan, or, indeed, as a matter of fact what is the Canadian agricultural policy besides providing cheap food to the consumer, and who pays the cost of that burden?

I think if we want to continue these kind of policies, very many people are going to get hurt, particularly bearing in mind inflation and costs of production are going up, and agricultural prices are staying at a relatively low area.

But I think there is some optimism for the industry as well because you look at the red meat market in Japan alone and if we were able to provide a promotional campaign that would increase the consumption of meat in the Canadian production couldn't begin to cope with that kind of demand, and particularly bearing in mind that the income per capita doubled between 1964 and 1970, and they expect it to triple over 1964 to 1975.

The Chairman: Japanese income?

Mr. Babey: Yes.

Senator McGrand: And the New Zealand market now. It used to be all Britain. Mutton and wool, but now a lot of that is going to Japan I believe.

Mr. Babey: Yes.

The Chairman: That is, of course, in fear of the common market. They are hedging.

Senator McGrand: There is an opening there for a small market.

Mr. Babey: I did a small study this year in Japan and I find that the red meat commodi-

ties from Australia and New Zealand they are not that receptive. Really there are opportunities for high grade Canadian beef, particularly if we can get away from the tariffs and quotas restrictions that they now impose, and I think in order to get away from them Canada has got to change its attitude and remove restrictions that we have for that country.

I think in terms of oil seed, that is another crop that has tremendous potential, and one that farmers could change to easily without hardly any additional cost.

If you watch the production, how we are consequently increasing production of oil seed, and yet it appears we might be able to do so and market a very substantial crop at pretty fair producer prices, so these kind of commodities do offer some optimism. But again I want to stress the importance of real planning in the agriculture industry.

We should know where we are going in the production of food. We should know what the market requirements are, not only on the domestic scene but on a global basis, and then approach this market by producing to meet that kind of challenge.

A problem in the past has been that we have depended very much on information that we would receive of the pricing mechanism to decide what individually we are going to produce, and some time a reflection in price is not soon enough and the production piles up, and this is partly the reason why we have this large surplus of wheat today. And the reason for bringing in a program such as Operation Lift to lower inventory for tomorrow.

Senator Carter: Isn't that because as a farmer you make individual decisions rather than group decisions?

Mr. Babey: I think by and large farmers have made some real good decisions if you take into account all the very limited kind of information they have, particularly the very limited kind of market information.

Senator Carter: Do you depend solely on the Federal Government for that?

Mr. Babey: I don't think so. Many farmers will tell you that they probably have now got to the stage that they do the opposite of what is advocated and they do real well.

Senator Carter: I know, but you were complaining about information. You say you want information. Who do you expect to supply

this information? Do you feel you have any responsibility to supply it or to get it yourself?

Mr. Babey: Definitely. And we have argued for years, for 12 years I can remember a resolution of the other farm organizations that I know, asking that a deduction be made off our week and this money be spent in marketing research, and nothing has happened.

Senator Carter: Who did you make that to?

Mr. Babey: The government.

Senator Carter: Which government? Federal?

Mr. Babey: Yes.

Senator McGrand: What do you call the main body, Canadian Agriculture?

Mr. Babey: Canadian Federation of Agriculture.

Senator McGrand: That organization is old and it has got a lot of good men in its organization, and with a little money taken off farmers in dues and so on. I would think they would be able to set up that marketing investigation service on their own. They are a big organization.

Mr. Babey: This has been one of the problems in farm organizations, and admittedly I have to tell you it has been our problem too. For example, our direct members pay an annual fee of \$10 a year and I think this will indicate to you how limited you are in financial resources, in trying to do a job on \$10 a year membership.

We are hopeful now that we have put all the provincial farm organizations together in one that we will get a legislative check-off, that there is a small deduction made on the product that is sold so that everybody will contribute, and, hopefully, we will come up with a realistic budget where we can do much more product promotion and market development in areas that farmers have not been involved in.

I am a great believer that we can rely on assistance as long as we want to, but the final solution in agriculture is going to come from within the farm community itself.

The Chairman: In Ontario we have a farmer's check-off.

Mr. Babey: Not really. Not in a farm organization; you have a check-off through many commodity organizations using marketing legislation.

Senator McGrand: Such as milk?

Mr. Babey: Yes, milk.

The Chairman: No, it may be on milk but there is check-off in marketing areas.

Mr. Babey: Well, the Hog Board have, the Tobacco growers and the Beef Board and so on.

Senator Pearson: It doesn't go to one central fund. It all goes to different commercial groups.

The Chairman: He is suggesting that is exactly what they do, they use that fund for marketing purposes. Isn't that it?

Mr. Babey: Yes, but there is one difference, and I think the difference is this: if you approach that on a commodity versus commodity basis, you can get into conflicts, and let me give you an example right now: I think there is probably a conflict that perhaps the rapeseed producers in this country would like the tax removed on margarine, and the dairy people would oppose it. I think the advantage of a general promotion in terms of the development of a market, that you take into account the total food basket because really one food is in conflict with another.

Senator McGrand: I just want to ask one question. I don't know whether you are a cream man or whether...

Mr. Babey: I am a mixed-up man, mixed market.

Senator McGrand: What is the future of the dairy industry? I mean the milk and butter. We know fluid milk is pretty safe, but for manufactured milk and butter what is the future of that when you are faced with the competition of synthetics, margarine, and the possibility of making margarine from things grown on the land?

Can the dairy industry in Canada survive as it is at the present time? We have synthetic butter and you are going to have synthetic milk, and the possibility is you will have some synthetic beef.

The Chairman: Some synthetic farmers.

Mr. Babey: When we get to where we have synthetic people we will have the thing

resolved, but I am never worried too much about synthetic replacing total food. They may be a factor and they may be useful in terms of low income families in Canada, but I think the fact you have to colour margarine before people will buy it is an ideal example. It really can't compete with butter when you have to deceive the public, you know, in order for people to buy it.

I think there may be some room for synthetics, but I don't see how you are ever going to produce synthetics that will match really good beef steak.

The Chairman: Senator Carter wanted to know—you said farmers were prepared to permit the market organization, government or otherwise to take something off the top for the purpose of marketing and advertising and whatnot. That was the question?

Senator Carter: Yes.

The Chairman: He asked you how long had it been advocated and you said 10 or 12 years. So that is quite a long time to make an impact. Why is it refused?

It seems to be a sensible sort of thing. Is it because you people want to control marketing and the advertising and the government won't let you, or is there some other reason?

Mr. Babey: I am not sure I can answer what all the reasons are. All I have said is I do believe that in this type of involvement—and really we didn't spell out in any way that we would control the funds—if producers are going to pay for the research, we should have some say in what is going to be researched and the areas that will be looked into, but we were not even specific in that area.

All we said is we would like to see a deduction made that would be an infinitesimal amount in terms of per bushel deduction, and yet I think we could have done a lot in terms of marketing research. I am very much afraid that the fact we cannot guarantee proteins under our rating system has been a very significant factor in Canada's sales of wheat to the UK.

Senator McGrand: And they are all demanding higher protein content; isn't that right?

Mr. Babey: It is not essentially a higher protein content in every case, but I think what they want is a guaranteed level.

The Chairman: Do you mean that is something new?

Senator Pearson: New for us.

The Chairman: Why new for us? What is new for us there?

Senator Pearson: Grading on a different system altogether. We really don't worry about the protein at all. If it looks good, good colour and good weight, that is about all we think about. Dry.

The Chairman: Then all we can require is just a change in grading?

Senator Pearson: Change in grading is opposed by a number of farmers who don't live in the Palliser Triangle. The Palliser Triangle is what they call a higher protein content. Those outside that area don't have that same kind of content and they feel the protein content will solve a Palliser Triangle wheat and leave them out in the cold to the last.

The Chairman: I thought maybe it was a different type of wheat.

Senator Pearson: No.

The Chairman: But it is simply grown under drier conditions?

Senator Pearson: Just in a drier area.

The Chairman: What has brought the change about in Britain? Is it the eating habits?

Mr. Babey: New baking technology has changed it. I think it is new baking technology where they can buy a lower grade wheat at pretty low prices and buy a guaranteed level of protein and mix the two together and come out with real good bread.

The Chairman: And cheaper.

Mr. Babey: Yes.

Senator Carter: On page 22, I have two questions on that page. You said:

With present distribution methods most of the subsidies goes to those farmers who now have less need of them.

And coming from Newfoundland I can say the same thing about fishermen: types of assistance to fishermen go to the ones who need it the least. You don't spell out very well what your answer is. You say "Unless additional subsidies and assistance are re-directed to low-income farmers." In what way? What have you got in mind?

Mr. Babey: I think the point that we were making here, and I want to be clear that we are not saying that farmers don't need subsidies—as a matter of fact we feel that in some areas if we are going to be competitive with the kind of protection that is offered to producers in other countries of the world it would be essential that we are, but our point is we have many of the low income farmers, and by and large the low-income farmer will probably be one that has limited volume of production, and if you are subsidizing on the basis of output, it simply means the lower the output the lower the subsidy that this person gets.

And when the amount that he earns, a significant amount is consumed in terms of family expenses and cost of living, it leaves no capital for these individuals to fall back on and build up his enterprise so that he can get up into a higher earning bracket.

Senator Carter: But you see the whole purpose of a subsidy is to work itself out of existence. If it is successful it is only a temporary measure. If you had a guaranteed annual income for low-income farmers would that do away with the need for subsidies?

Mr. Babey: I think it would do away with it in terms of the social problem that these people face, but I do not necessarily think it would do away with the subsidies for agriculture because I think it is dependent on what you do in terms of Canadian industry, and it depends on what some of the countries, what the European Common Market does, what the American grain farmer is going to get for not producing.

Senator Carter: I am interpreting your words literally because you said with present distribution methods most of the subsidies go to these farmers—you are talking about farmers?

Mr. Babey: Yes.

Senator Carter: Not about agriculture generally—go to those who have less need of it. I am thinking in terms of farmers, and I am asking you the question in that context, of individual farmers rather than agriculture.

Mr. Babey: I think if you had a guaranteed annual income you would not have to worry about providing subsidies for the low-income farmers.

I might make you another point: it is one that is probably unpopular for a farm leader to make, but I think it is essential because

this is the way I see it. By and large as we have developed much of our agriculture policy in Canada, we have really done it on the basis of trying to develop commercial policy for commercial farmers, and at the same time try to solve the social problem that exists within that industry.

It seems to me that if we continue on that course we will fail in both. I think what needs to happen, we have to separate the two and develop the kind of agriculture policy that will ensure the survival of commercial operators and where we have social problems, deal with them with social programs that will meet the needs of those people, and this applies not only to the agriculture sector but to other areas of Canada as well.

Senator Carter: What you said in your brief is that subsidies as they are now distributed are not working, and if you do not have subsidies and do have guaranteed annual income certainly the farmers would not be any worse off, if the income was at a reasonable level.

Mr. Babey: Well, I think that in any change I think that probably we would end up better off, but I do not want to leave the impression that subsidies are not required.

I think the point we are trying to make, the low-income subsidies are not really helping to any great extent because of the conditions these people are under.

The Chairman: You remember when Munro the president of...

Mr. Babey: The president of Canadian Federation of Agriculture.

Senator Carter: He made the same point? I think I was at another meeting.

The Chairman: He made the same point dealing with the low-income farmer: you need something more than a subsidy. That is the point.

Mr. Babey: On page 19 I think we make the point, Item 60. We explain the kind of policy, and really the point that we are trying to make, you have the information there.

The Chairman: I have been in Parliament for 25 years and I have never heard an agreement on agricultural policy, no matter whether the Liberals are in or whether the Conservatives are in. No matter what they do.

Of course I know too little about it to pass any judgment but there are some very able people in agriculture. I don't know how they all missed the boat.

Senator Pearson: Guaranteed income on a farm is a difficult proposition because you have different qualities of land. Just as you say in the northeastern part there it might strike the government that they are wasting money. I am not saying yours in particular, but someone further away in the bush where the land is not of any real value, and you are subsidizing him with a guaranteed income just to sit there. And he will do nothing but cut a few trees down and burn some wood in the cottage, and that is it.

The Chairman: Remember the suggestion we had before the Committee: leave these farmers in just such circumstances as you suggest. He can't make a living on the farm, and this came from Dave Kirk, and the suggestion was that we are far better off to buy the man's farm, pay him for the farm and let him sit there throughout his days. They are doing that in Scandinavian countries. If I recall it correctly the Prime Minister got on the bandwagon about a month afterwards and thought it was a first class idea. Dave Kirk made the suggestion.

Senator Carter: Yes. You talk about taxes: "Farmers are more receptive to tax reductions than they are to transfer payments that provide the same end result."

I am thinking of low-income farmers. They wouldn't be paying much income tax. The greatest part of the tax burden, does it come from provincial? What constitutes the tax burden of a low-income farmer?

Mr. Babey: I think the largest portion they pay would be municipal. Local government. And this is taxation on property, for example. It is the same regardless. It is not geared to income or the earning power or the ability to pay, and it is there and it is fixed.

If the property tax is fixed and his level of income is very low, you will find a situation where tax is a very significant portion of his income.

Senator Carter: You talk about tax reduction. The municipality is not in much of a position to cut them out either.

Senator Pearson: Municipal tax is school tax. Take that off and it would relieve the farmer a great deal.

Mr. Babey: I think the education tax is about two-thirds.

Senator Carter: Can you find a different way of financing education?

Mr. Babey: I feel very strongly that education should not be financed by property taxes. I feel property taxes should be used to pay for the services for that property.

A much fairer way to finance education would be income tax because through education one increases his earning power and when you increase the earning power then you get a larger payment in taxes. Personally I feel it would be much fairer.

The Chairman: Of course the Provinces of New Brunswick and Prince Edward Island are both doing that now. Newfoundland has a different system, but the other two are using that basis of general taxation.

I don't know what direction they are going to take, but it seems to me one of the things they can look forward to is that particularly older people, those we will say receiving the Old Age Security, will be probably the first who will be relieved of school taxes. They have no children in school; paid taxes all their lives, and will probably be the first to be relieved of it.

I think they will do it gradually in the larger cities because they can get industrial income. Whereas in New Brunswick he can sort of combine the two very well, and Prince Edward Island too.

Senator Quart: Mr. Chairman, I am afraid I have been absolutely useless this afternoon in the farming.

The Chairman: Oh, no, no.

Senator Quart: But I remember on one of my first trips out west I was told to avoid any discussion about wheat, and I was misquoted and got in the paper when I did, and they said if you want to get out of it don't discuss wheat at all out there, and I can always remember if you want to get out of hot water—well, I don't know about it, but I remember a little jingle and I hope I am quoting it correctly: birds say tweet tweet; lovers say sweet sweet, but the darndest word I ever heard is wheat wheat wheat. And I was able to get off the hook.

The Chairman: You are off the hook today because you represent the consumer public.

Senator Quart: I love farm products, as you see.

The Chairman: If there are no further questions, may I say Mr. Babey—and Mr. Allen too for he worked on the brief and we thank him for what he did—that it has been a pleasure to have you come before us. We are impressed by what you read out. We had not had an opportunity to discuss it or read it completely, but your knowledge and your method of expression, and the general impression that you make on the committee is a very good one. It impresses upon us the seriousness of the problem that is faced, and the very fact you have been able to express it so knowingly is very helpful to us.

On behalf of the committee who have problems of their own to struggle with, we say thank you very much for sharing.

The Chairman: The next presentation is from the City of Edmonton Social Service Special Project. On my right is Mr. Harland Magneson the director, who will introduce his delegation.

Mr. Magneson, Director of the City of Edmonton Social Service Special Project: On my right is Dr. George Kupfer, and beside him is George Diadio who looks after research.

Mr. Chairman, honourable senators, ladies and gentlemen, before I go ahead with my summary of the brief—I am not going to read the brief—I would like to mention that we did have other staff who were involved in this demonstration project: Lucille Châtelain, Marlene MacIntosh, Rod Kolbus and Margery MacLean.

The resource mobilization for employment, "Special Project" as it is known, was initiated two years ago for the purpose of helping unemployed employable people out of a status of dependency upon welfare. The service was experimental, and the achievement of psychological and financial independence for these people was the goal.

The reason concern was expressed for this group was the number of unemployed employable persons on welfare rolls was increasing and also there was need for more knowledge about the most effective approach in meeting their needs.

A grant was received from the Department of National Health and Welfare, grants division, to study the problem for two years, and since then a follow-up period was financed by them as well to conclude with the report.

Currently we are looking at the information and data that we have gained through that two-year period, and are writing that report so we are pleased at this time to be able to fill you in with some of our impressions even though our report is not at this time written.

The staffing of the demonstration project and of social services generally has been somewhat of a problem. This particular project was staffed by people from different professional backgrounds. It included social work, psychology, adult education and sociology. In addition we had consultant staff that included medical, psychiatric, psychiatric and psychological personnel.

The thing that happened was that a team emerged to render service and to research the question of what are the most effective ways to assist the unemployed employable person.

A group of clients chosen consisted of married males under 45 years of age and their families. This group was selected for two reasons, first, they were high priority in terms of cost of social assistance, and second, this group of men appeared to be healthy, physically, and mentally, and therefore it was assumed that they would be good candidates in terms of the mainstream of society and work.

Cases were referred to us from the regular system of social services by welfare from the city and provincial services, and the thing that we identified rather quickly was that most of these people were living in conditions of poverty.

All of the people dealt with in our project in two years were in relative states of poverty. They were poor to the extent they had exhausted all of their own financial resources and had become dependent on the welfare system.

We took a look at this question to try to identify it more closely. We identified two different kinds of poverty which are very closely interrelated to one another.

First there was poverty involving simply lack of money. Second, there was poverty characterized by demoralization, despair and hopelessness. These individuals were lacking in the spirit of life, and had simply resigned themselves to a vegetative kind of existence.

Then our task became one of confronting the despair we were witnessing and experiencing in meeting these people.

In reviewing our service it seems the greatest perceived benefit was the opportunity for

personal confrontation. Clients tell us they had a healthy experience where we were willing to tell them exactly what we saw as their responsibility to others and to the rest of society.

Hope was restored; plans were initiated; aspirations were sound goals allowed the development of self-worth again.

During all this experience an active core of clients formed a participants organization and fed back information that improved our services as we continued our research. You will have a chance to hear from some of these people this evening. Therefore I won't say much more about them at this point. I want to tell you a bit about the experimental transactions that took place during the two years.

Quite frankly, I personally took this position, having come from a private agency, because I felt that the public sector could render services as effectively as we could in private agencies, and I felt there was a need, perhaps a greater need for good service, and for service, that we meet needs of these people in the public sector.

In keeping with this philosophy we emphasized an experimental creative kind of thinking. We emphasized flexibility to meet individual circumstances, and the outgrowth was several innovative approaches. These concentrated around several of the concepts, and you have this before you in the brief. I am not going to read them. If you have questions we would be glad to respond to your questions on them at a later time.

First, the informal operational procedure. We felt it was necessary to be able to treat people as personally and as warmly as we could.

Second, client involvement. We felt we must help these people become part of the solution to the problem we were studying.

Third, was staff development, and we had a creative kind of staff development policy that we have freedom to implement, and it takes money to develop staff that can competently deal with problems of confronting despair and help people who are in the situation they are in.

Utilization of community resources, development of group experience for people so that we could cut down on the alienation they were experiencing.

So this is a psychological measurement. We have a lot of data and professional knowledge of how to assess the individual. This knowledge is not being well utilized in my opinion

at this time in many of the services across the country. Also it was necessary for us to go out and develop jobs for people to take when they were ready to work.

Included in this was a research component on an on-going basis. We had feedback from another professional perspective, and this fed back information into our service that was vital for us to make improvements as we went along.

Out of this experience we were able to identify two sets of dynamics. The first, individual personality. It is very clear that many of our clients are personally inadequate to meet demands placed on them in our modern labour market. And secondly, the complexity of our society.

The lack of job opportunities contribute to competitiveness that force people to the bottom of the ladder. These dynamics combine an inter-act and cause people to lose sight of their objectives, give up hope, and our clients found themselves in a situation where they were compelled to apply to welfare to survive.

Once they are dependent on social assistance for livelihood and a client finds himself reinforced for failures in his life, and because he is still not accepted by society but is rather stigmatized, and he finds it increasingly difficult for him to extricate himself from this situation.

Out of our experience we have been prompted to make some recommendations and that of improving social assistance services in the public welfare system.

While there is some talk about scrapping the present public welfare system in favour of some form of guaranteed income, our experience indicated that there is more than a need of money. Guaranteed income alone is not enough.

Our clients indicate a need for more services, competently staffed and geared to help them straighten out their lives.

These facts prompt us to make recommendations that we have made which are basically aimed at improving the present delivery of social assistance services to people who find themselves in these circumstances.

We therefore recommend that facilities and services be organized in such a manner as to permit a general informal personal procedure.

We recommend that diagnostic service be available and utilized in a planned and disciplined manner so as not to become bogged

down with chronic cases that take most of the time of professional people.

It is recommended that clients' voice in control of public assistance funds be implemented on a cooperative and organized basis. It is recommended that assessment or goal planning meetings be held with teams of staff with clients participating to implement goals and facilitate involvement.

We had a very positive experience with respect to this in our two years of demonstration. We were hesitant at first to bring clients in who were downtrodden and who really probably lacked much of the strength that you and I have as individuals, and yet we felt the only way we could help them was to provide information, that we allow them to make good decisions for their own future, and we found it to be very useful to bring them in to our staff meetings and to help them, and to help explain the technical information that we had had so that it made sense to them.

We also found it takes a team of staff to do this because it is necessary to gain a prospective and have several people tuned into the needs of an individual.

It is recommended that assistance programs build in outside consultation aimed at improving consultation techniques and provide individual and up-to-date knowledge, and to gain a better prospective of the task at hand.

It is recommended that social assistance departments across the country set up on-going demonstration staff units exploring innovative approaches, and acting as training units, working with difficult cases, and reporting regularly to staff operating social assistance programs.

It is recommended that social assistance administration be done flexibly, keeping in mind the unique and differential needs and the level of the potential of different clients.

In my mind it is unreal for us to develop a categorical program that treats everyone in the same manner.

It is recommended that in social assistance units intensive services involve teamwork. This concept involves the assignment of a case to one primary worker but the case then becomes the responsibility of the entire team rather than a single individual.

Here I think we can learn something from the people who are involved in putting men on the moon. They have had many systems

inter-acting and working together in a systems way, and I think in the human services we can combine our services to help people in a more realistic manner.

It is recommended that the task of postulating problems inimitable to research be assigned a higher priority in the job performance of staff and social assistance programs than it is now receiving.

It is recommended on-going research be implemented by social assistance departments in order to develop up-to-date and relevant programs that will meet the needs of individuals who are poor.

In concluding my remarks I want to mention that to date nearly 75 per cent of those that have been intensively involved with the special project services are at work or are in school preparing for work, and it seems as though they are gaining a niche for themselves that has some meaning, and integrity and worth has been restored to some degree to them.

Thank you, Mr. Chairman. I would be happy to have questions from the Senators or from anybody relating to the brief. I didn't go into much detail on the brief; I felt we should use the time for discussion.

The Chairman: Do you mind if I just ask one question: are you American, Canadian?

Mr. Magneson: I am Canadian-born and I was trained in the United States.

The Chairman: How long have you been in this field?

Mr. Magneson: Just in the last two years.

Senator McGrand: What part of United States were you trained in?

Mr. Magneson: I took my graduate training at St. Louis, Missouri's Washington University.

Senator McGrand: Did you see any difference in the American problem and the Canadian problem?

Mr. Magneson: In what respect?

Senator McGrand: Just in that respect? You have seen it in the others and you have seen it here.

The Chairman: He didn't see it in the States.

Senator McGrand: He studied down there; he had to see it.

Mr. Magneson: I think in this respect we are much closer to better solutions than they are in the United States. They have many more problems that are complicating their situation than we do, and I think we have a much more comprehensive kind of legislation already in force, and this was I guess one of the reasons that I was anxious to come back to Canada and take on this responsibility of demonstrating a useful kind of service.

The Chairman: You rather agree with the committee's view on the problem up to date. We have to go along way. Everybody in the Senate wouldn't agree with you.

Senator Carter: I think this is most interesting because you have branched out on your own, looking for a new approach, new philosophy, and adopted the systems approach and copied from NASSA down in the States, and you developed a program that is voluntary, I understand, and personal and individual, tolerant to individual needs.

Now, apparently one of your first problems: you talked about this confrontation, and I presume that is one of the devices you have used for changing this attitude because basically you had to change the attitude of your clients. What was the most significant factor in accomplishing that? Was that the confrontation part?

Mr. Magneson: Well, Mr. Chairman, Senator, I really think I should ask you to ask that question of the clients tonight, but I will take a stab at it too.

The response that we got was that clients were asked to come to our project. They were not told a whole lot about it. We have a comparison group that remained in the system, so these people didn't know much about us. They came willing to take another chance; I guess essentially to hear what was going to be offered, and when we met them with an informal kind of attitude in the waiting room, they become a little suspicious in terms of what we were after now.

But we were able to back this up with service which meant something to them and to their needs, and they were able to continue with their involvement on an on-going basis to start to plan goals.

So I can say it is a process of restoring hope to persons who feel there is no hope left for him, and as this evolves, as a professional person you get satisfaction from your work as

well and you become rather intimately involved with your client.

Senator Carter: These people came to you from welfare agencies? Did you just take them as they came, or did you make a selection?

Mr. Magneson: No, we took them as they were referred. We did have a specific criterion of being married and under 45. We arbitrarily chose these criteria for reasons I stated.

We took them as they came, but if we felt there was psychiatric problems to the point where it would be detrimental to them to be involved in a system that would be in existence for two years and we didn't have an opportunity to help them, we felt some obligation to level with them and told them this was the case. There were very few cases we rejected if I remember right.

Mr. Kupfer: There was one in the sense people were identified with general characteristics. One was sent to the project and the other was left in the existing system, so that we tried to get groups that were fairly comparable.

One was left in the regular welfare system of the City or the Province and the other exposed to this project. Some did choose not to stay.

Senator Carter: When you got them they were down and out financially? At least they had lost all their self-esteem and had no hope; they saw nothing ahead of them except welfare for the rest of their days. Then, what was the first thing you did for them?

Mr. Magneson: The first thing most of us did was try to get to know the person individually. Through conferences about two or three times a week. We wanted to set aside as much time as possible, up to as much as five hours, and during that period of time we insisted they look at their own budgeting situation to see where they were financially.

We wanted a complete account of where they stood financially. All their debts; all their liabilities no matter how old, and we also wanted them to bring in their own budgets stating how much they felt they needed in order to have a decent standard of living.

It was a rather interesting experience because many of the people brought in budgets that they expected were similar to the system, and we could tell what the system was granting. If a person was smoking a ciga-

rette and didn't have it in on his household budget, we said where do you buy these, and it was a very direct kind of approach and we wanted everything listed.

We didn't want him buying cigarettes out of his grocery money. Just as an illustration. And so we insisted they bring in a statement of what their own needs were, and from there we worked in terms of assessment of potential where the person we felt might have skills that he was not aware of, where he might develop and where he could grow and try to point a direction.

Senator Carter: Now the Canada Assistance Plan was based on need, the very thing that you people did to get this fellow to find out and assess his own need.

Did you find much difference in what the actual need turned out to be than what would be assessed, say, by the Provincial authority?

Mr. Magneson: No. I can't say it is a significant difference. Last fall we did a survey on the cases we had active at that time, and the difference in terms of what was being granted before they came to us and what we were granting them on a flexible basis was about \$50.

It may be significantly different from case to case because we treated them on an individual basis, and then we took another look at this later on, and we found these people were requiring financial assistance for shorter periods of time, so on the overall, I don't think it has taken more money but it has created incentive and hope to meet their needs more realistically than in a short-sighted way.

Senator Carter: Did they continue to get their welfare assistance or were they cut off altogether from welfare and you financed them, the whole budget?

Mr. Magneson: We handled the granting of assistance from our project.

Senator Carter: And they had no contact with welfare? They didn't get any social assistance from any other source?

Mr. Magneson: No. The bill was picked up on a cooperative basis by the City and the Province and the Canada Assistance Plan.

Senator Carter: They didn't know it?

Mr. Magneson: It was arranged through the Provincial authority.

The Chairman: The client didn't know it?

Mr. Magneson: Oh, yes.

The Chairman: Why would he know about it?

Mr. Magneson: We felt he should know about it.

The Chairman: About what?

Mr. Magneson: That his assistance was being paid by the Provincial and Federal Governments.

The Chairman: It is always paid by them so in what respect is it different?

Mr. Magneson: None.

Senator Carter: Except that you gave them a little more.

Mr. Magneson: We did grant assistance on a flexible basis giving more or less as they requested.

Mr. Kupfer: I thought your question might have been did your demonstration money separately pay welfare costs. It did not. It was regular welfare assistance.

Senator Carter: Oh, I am sorry.

The Chairman: It was the regular welfare money. All they did was they passed it through to them and it was really government money.

Senator Carter: The government really agreed to pay the extra money?

Mr. Kupfer: They agreed to more flexible budgeting.

The Chairman: That is a professional way of saying they gave them more money.

Senator Carter: I don't want to monopolize the questioning.

The Chairman: Go ahead, you are on the right track.

Senator Carter: Having done this now, how long a period did elapse before his attitude began to change; he began to have some self-esteem; he began to have a different outlook?

Mr. Magneson: With your permission I will refer that question to George Diadio.

The Chairman: Your position?

Mr. Diadio: Research. I think in order to answer this question I would like to talk

around it a bit in that what we found by doing some surveys on social assistance bodies—not necessarily those that we were directly involved with—we found that the first six months or so of experience with social assistance seems to be a sort of re-organization or timing period where, after financial difficulties and so on, the person finds that there is suddenly a predictable amount of money coming in; she has therefore an opportunity to plan for the future. She doesn't have to worry about where the next loaf of bread is coming from.

Senator Carter: When somebody decided what his need was, say it was \$300 a month; he was assured of that \$300 a month for how long?

Mr. Diadio: Well, within reason for as long as necessary.

Senator Carter: But the man himself, did he know he could count on this \$300 a month for six months or 12 months or what?

Mr. Diadio: It never really got to that point, but I assume so, yes. He knew as long as it was necessary, as long as he was in this situation he would not go hungry.

But the point I wanted to make, we found people who had more intensive involvement and perhaps slightly higher assistance payments: this reorganization period I talked about was cut in half. Instead of for three months they looked around for jobs, they planned, and so on and got the family re-organized, and then they seemed to be in a better situation to get out and get back into the mainstream of society.

It cut this in half by the fact we were in a position to help them help themselves.

Mr. Kupfer: If I might comment, this budgeting is kind of interesting. It is not just more money. It is the fact that people sat down with their worker and went through a realistic appraisal, realistic from their prospective, but challenged and questioned, and debate would take place and a budget was prepared.

Also if there was disagreement, the client knew he could have his budget considered by another group besides the worker.

Senator Carter: I am thinking before you had all that. You didn't have the clients' consultation group until your experiment was fairly well advanced?

Mr. Kupfer: Right.

Senator Carter: And you had a number of clients that could do this now at the initial stage?

Mr. Magneson: I think in order to answer your question, what we insisted on was intensive involvement, and we told them this level of assistance would continue as long as they were consistently involved, but if they cut off their relationships so we didn't know where they were or what they were doing, we would have to take another look at this.

There is a certain element of re-evaluation in here. I don't think it was all that sure a thing. But as long as they were continually involved and taking psychological testing and getting services we were ready to provide, I think they were fairly well assured this was forthcoming.

Senator Carter: You told us before you got down to this business of budgeting you got to know each other over a pot of coffee and called each other first names, and you established a rapport with each other, and you got them to tell you about problems, and you got to know them as persons.

Then eventually you got around to talking about what each needs to get out of it. Of course he needs a job. Now he needed something else while he was looking for it. Something along that line in this period. This is what I was trying to get at in my original question. Something happened to this fellow. His outlook changed. When he came to you he was down and out. No hope, no money and no outlook, but along the line somewhere they change and I am trying to pinpoint just about where this change comes and what brought it about.

Mr. Diadio: I think again this would be something that would be better asked of the clients later on, but I would like to give you an idea: what I have heard from the various clients it is that they felt people were willing to listen to them, were willing to spend time with them and willing to treat them as another human being.

And in general it wasn't a file number or address idea, but trying to find out who they were and what their aspirations were. And, as I said, trying to treat them as human beings not as dregs of society. And this is not my words.

Senator Carter: But you were conducting the experiment and I am not asking you

something secondhand from this. I will get that from them tonight. But conducting the experiment you must have been looking for changes, and you should have been able to spot it along the line.

Mr. Magneson: I see what you are aiming at. I don't know that I can give you a satisfactory answer because it varied in each individual case.

Senator Carter: Yes, Mr. Magneson.

Mr. Magneson: But I think what really happened, when they saw that we were really levelling and would follow through, they would start to respond, and I think it was that testing period that in almost every case was experienced until we established this testing period where they were really testing to see if we would stand behind what we were talking about.

I think it was that kind of relationship that has to develop before the tide turns.

Senator Carter: How long did it take to establish that kind of relationship?

Mr. Magneson: I think our experience would say about three months.

Senator Carter: Yes.

Mr. Magneson: It varied, but I think a safe estimate would be about three months.

Senator Carter: During that three months you had pretty close contact? Several hours a week?

Mr. Magneson: Yes, that is correct.

Mr. Kupfer: It is more than just a kind of dispassionate humanism. It involved also going through the whole process of looking at yourself as an individual and getting them to be willing to face the kind of problem they saw they had, and all the kinds of psychological testing and all the kinds of test materials were shared with them, and they reacted back on them, and in a sense some could face themselves very quickly. Some never did and some disappeared. They didn't want this kind of exposure or for various reasons didn't care for this kind of program, so it largely depended on how quickly the man, his council and the team could really see where his hang-ups were, and they were not necessarily the fact he just was out of a job. It wasn't always employment that was the problem.

Senator Carter: For example he had debts and you found some way of consolidating these and some way of distributing them over a longer period? Was he able to deal with his debts out of the allowance you made him? Was that a part of the rehabilitation process?

Mr. Magneson: Mr. Chairman, Mr. Senator, in some instances we did allow for debts. If there was imminent seizure of personal property. In other instances we were very fortunate in this province to have the Debtors' Assistance Board which is a government agency which you probably know that can deal with debts in a reliable manner and is respected by the creditors in the community. So together we used these resources.

Going back to your previous question, I think you were heading on something. We didn't have a good idea of what to do with these men when they came to us.

At first we started to place people in jobs indiscriminately, just sending them out for the sake of getting them work, but we found rather quickly this is not the correct approach because we were spending a good deal of our time keeping that person on the job, and if he was not motivated for a particular job that we were able to place him into, we found he soon became absent or there was one excuse or another, and we were really repeating the cycle that had gone on many years before we got involved.

We changed our approach after a short time of trying this, holding off on the job placement and getting him to know us better. This was trial and error.

Senator Carter: Could you tell us anything more about the trial and error?

The Chairman: To what do you attribute your success?

Mr. Magneson: That is a good question. I would have to say the fact we had the time and resources available to use on an individual basis with people created a milieu that made success possible.

If we had certain policies that would have restricted us in terms of how much money we might have been able to grant any individual situation, we might not have been able to create enough incentive to give him hope to allow him to move back into the mainstream of society.

The Chairman: Did you read the brief that the social workers presented to us?

Mr. Magneson: Yes.

The Chairman: Isn't that exactly what they said? They did not do what you did in an experimental fashion. You as social workers were given a task, were given a fair load to carry, and were worth three or four times more than you are being paid, and can do a real job.

Mr. Magneson: That is essentially it. Actually what seems to have happened in the welfare program is that social workers have not had freedom to make decisions. They must go by prescribed policy over which they have no control which puts them in a double bind because on one hand they are trying to face the individual who needs help, and on the other hand they are accountable to society which says you are no good if you go over or under the policy.

The Chairman: In short, they have a load that is impossible to carry.

Senator Quart: On page 8, I am sure these group experiences you have mentioned here, all of them on that page, I am sure you feel yourself that by this retreat for married couples—I want to come back to what you mean by "Retreat" or where—I am sure the man who is unemployed at 45, he loses respect for himself and probably his wife feels he is a bit of a failure, and I think he probably would.

I think for them this retreat for married couples—have you a special place to put them—is to improve communication between husband and wife, and I am sure that must have succeeded. At least for the wives to realize more and more this is not a hopeless husband, and I think also this wives group here in similar difficulties, and it gives the family focus and to have these wives understand their husbands' unemployed status, and then work together as a team, I am sure that must have been a great success.

As well as sending the men out to assess their own potentialities or whatever it would be. And probably then, as you say here, you experience satisfaction and move from a state of immobilization to action.

Where do you send them on this retreat?

Mr. Magneson: Mr. Chairman, and Senators, this was really an experience we adopted from a sort of fad that is going in industry in terms of training management and sending management to sensitive work shops and what have you, and we felt it would have

some merit to these people in these kinds of situation.

For my own part I must admit I was rather skeptical, and we hired outside persons to come in as resource personnel for this purpose. It has proved to be a helpful experience in that it has allowed them to back up and do some thinking about their personal lives.

We did it as cheaply as we felt we could. We actually secured a church camp that was not being used in the wintertime and rented those facilities and hired a cook and to be billed in this manner through our project funds, and we brought in an outside resource person who happened to be Dr. Paul Cozy of the University of Alberta as the person responsible for leadership.

Then our own staff was involved in going out there at the camp and spending time with the clients.

Our experience with the married couples group was not all that positive, and we have to take another good look at this approach because it may have been a bit too intense and they may not have been right for this kind of communication with each other.

On the other hand, our evaluation at this point indicates that probably bringing the wives and the husbands separately in an individual situation may be a more realistic approach.

The wives group came as a request of the wives themselves who said they were not involved in our services and I personally took on the responsibility of working with a group of wives, and I think it was a very useful experience because they were able to help one another when they got together and were able to communicate on a weekly basis.

The men's groups were oriented towards treatment of personality hang-ups; things that might turn employers off or turn other people in society off. As I mentioned, we have identified the fact that a large percentage of these people had definite personality problems that do not allow them to fit in well. Whether our society has got problems or these individuals have problems is a debatable question. Nevertheless we had to accept what is here, and we have this kind of society, and we felt this was the kind of task we need to expand and look at.

Senator Quart: About how many couples did you bring together?

Mr. Magneson: We brought 14 on that particular experiment.

The Chairman: For how long?

Mr. Magneson: Three days. And we did pay the expenses for a baby sitter.

The Chairman: Was that fair, 14 couples for three days, and you wanted results?

Mr. Magneson: No. I think I should explain we did follow up with a group, and Lucille Chatain had a group of married couples that grew out of that experience, and we look at this now as a way of launching a group experience that is probably helpful in getting people together.

Senator Quart: And the number of wives brought out together and husbands in separate groups, were about how many?

Mr. Magneson: The wives' group met in town. We never took them out to camp. I sort of had a rule of thumb. I would never meet with them unless there were at least six women because I felt it was not a good use of my time.

Senator Quart: You didn't get them away?

Mr. Magneson: The number of men we took away was 19 or 20 and they were there for three days.

Senator Quart: They got a break?

Senator Pearson: On your staff development, is your body a unique body in the country?

Mr. Magneson: In terms of the amount of money we spend and in welfare programs in the country, I think it is unique that we spend as much money on staff development as we did. I don't think it would necessarily be a good expenditure of money to have this on a broad scale, but what my point is, more money needs to be spent on staff development to meet the needs of staff so that they can continue to render competent service than is being spent at the present time.

Senator Pearson: Just to go a point further on that, how do you choose your staff now? You are put in charge I presume, and you had the job of building up a staff. How did you choose the staff?

Mr. Magneson: Well, actually the staff selection took place before I came on the job. Mr. Wass who you heard this morning was instrumental in recruiting the staff, and I am not sure exactly what criteria he used, but he did select the staff from outside the public

welfare system as it were, and Mr. Diadio happened to be the only person who had been in the public welfare system previous to this.

The rest of us had all been employed in the field of welfare or human services previous to coming to this experience, but were new to public welfare.

Senator Pearson: My own feeling is your idea is something the whole service or the whole establishment needs very, very badly. Not only just welfare but in other departments. You are developing this thing as you go along I imagine?

Mr. Magneson: That is correct. I want to mention we paid quite a bit of attention to the needs of staff during the two years of the project in that we knew their work was very demanding and we needed to work together as a team. So we had to accept one another even though we didn't always agree with one another all the time. So we had weekly sessions where anyone was free to describe their problem or bring it to our attention so that we could work it out.

Another thing I mentioned in the brief is the very simple technique that was employed was the location of the office. We had a very small office, and the offices were located in such a way that we must come in contact with each other and collaborate with one another, whereas in many departments across the country it is easy for staff to avoid one another so you don't have a team approach.

So I think much can be said in terms of facilities and the layout of office space.

Senator Pearson: When you work with a client, do you work as a team together or do you usually individually discuss a problem with the client?

Mr. Magneson: We work actually both ways, and we encourage introduction of staff to other clients and vice versa so that the clients actually become acquainted with all members of the staff and usually the staff knew the names of most of the clients.

Senator Carter: How big a staff?

Mr. Magneson: Our unit comprises people who were listed here in the brief. There was three counsellors and myself and the research personnel. This is the size of the unit.

The Chairman: You said there were some others that you wanted to thank.

Mr. Magneson: They were the consultant staff.

The Chairman: How many consultant staff were involved?

Mr. Magneson: We had a medical consultant at the University of Alberta. We had a psychiatric consultant by the name of Dr. John Hancock. I think it is about four or five.

The Chairman: In addition to this staff of six?

Mr. Magneson: Right. We had the consultant staff on a retainer basis for awhile, and we found this practice was not utilized so we changed our modus operandi there and bought the services of consultants as needed.

Senator McGrand: I would like to ask you a dozen questions, but I will limit it to a couple.

In discussing this budgeting and helping people to spend their money, and these people who have lost their self respect and so on, do you believe that even in low income families that they can and do get by without this psychological breakdown with a loss of self respect and so on if they follow good budgeting methods with their money?

Mr. Magneson: Yes, I do, Senator.

Senator McGrand: We start with that. Even a small amount of money. With proper budgeting and cutting a few corners they could hold their self respect and they stay up until finally they find better times?

Mr. Magneson: Mr. Senator, and Mr. Chairman, I would like to respond to that by saying I think there are many people who are working poor and we are not necessarily talking about these people in this brief, but we are talking about people who have gone beyond that stage and have broken down completely in their independent functions.

Senator McGrand: That is right. Now on page six you talk about upgrading. You talk about upgrading yourself, and on page 8 you talk about getting to know yourself. On page 10, how to cope with consumer and credit resources. This is all part of the question I have asked you.

Do you mean, though, that if you prepare these people that have lost their self respect, and they have lost confidence in themselves to do anything, if you can rehabilitate or reorientate them so they have confidence in themselves, they are able to cope with the

system and they are able to sit down, I don't say in a bargaining position with their employer and so on, but they are able to be in a position where they can at least bargain with their environment, with their own resources against the resources of those with whom they would be working.

Mr. Magneson: That is correct. In fact I can cite many cases that we have been involved with, and one case in particular, and may I just mention this case because I think it illustrates what the Senator is speaking to.

This particular fellow really didn't think that his previous employer would ever take him back on the job because of the attitude that he had when he left the job. He hadn't been fired but he left, so I argued with the fellow. "Look, you never know until you try. Let's go and see the guy."

He said, "I will agree to go if you make an appointment." I made the appointment and the guy said, "Yes, bring him over."

I had to argue with the client again. I told him this fellow was willing to talk to him. He said, "Oh, he can't be willing to talk to me." It is a state of mind of the person. He puts obstacles before him that are so real to him but are not necessarily real in reality, but we went over and the result of this situation is that this person has been able to bargain for himself, and I have had very little contact with him the last six months, and he has now been promoted and is doing well in this particular industry.

Senator McGrand: On page 3 you mention there are approximately 4,000 people unemployed, employable unemployed, and then you go down in that paragraph, in Alberta the number of people seeking social assistance is increasing.

Then you mention it is hard for persons who have been in the poverty cycle to get out of it. Now, if there is an increase in the number of people seeking welfare, and there is an increase in technology that causes unemployment, so at the present time it is going to increase?

How do you suggest that these people who are in the cycle of poverty now and those who will be in it 10 years from now, how are they going to break out of a cycle of poverty which comes from an increase of technology and all that sort of thing increases? What is the future? How do you look at that? It worries me.

The Chairman: What worries me was his answer to your question that all they need to get by on is good budgeting practice. I was astounded to hear that answer, that that was the biggest need, and that was what I thought your answer was.

Mr. Magneson: I must have misunderstood the question.

Senator McGrand: Here is my question: in other words, the emphasis is on therapy and on independent spending and even people with little money, with not much money, can get by and don't break down, while some people earning a lot of money can throw it away on a second car and a swimming pool and end up awfully poor in the long run. And his answer suited me that the first principle is good budgeting methods. That is one of the first things.

Mr. Magneson: I don't know if I would put it first or not, but what I can say, it is part of making your dollars work for you.

Senator McGrand: I put it first.

The Chairman: That is what puzzled me, that he should agree that it is first, that he should agree it is part of the package deal, which is a different thing entirely. But go ahead with the last question.

Senator McGrand: Increase of technology has added something to the unemployment, and it is one of the things that has added to the rising cost of living, and these people are caught in this rising cost of living and caught in this unemployment thing, and they are in the cycle of poverty.

It seems to me that 10 years from now those in the cycle of poverty will have a harder time to get out of it than those that are not in it today.

Mr. Magneson: I think I agree with you, Mr. Chairman and Mr. Senator. I would like to refer this to Dr. George Kupfer. He is our man who has a broad scope in this project, and maybe he has a vision here that he can express.

Dr. Kupfer: I think we are in the area certainly of ideological values and beliefs, and to some extent I can tell you what my prejudices are, and I think they are founded, but you might not think they are founded.

This is one of the frustrations we have faced in the project. We think in limited

terms of reference we have been successful, and you can define success certain ways.

However, if society has to or insists upon continuing using high unemployment rates to combat inflation, we could not possibly cope with as many men that would be sent down on the street. Some of the men will survive because of certain of the inner resources they have within themselves and in the community, and others will not.

Just the fact that we rebuild some of their resources is only part of the answer.

So I think you are right to a certain extent under the present system. Even if we make the welfare system function better or revise certain laws about it so that it goes more smoothly, it will probably not answer the question of poverty.

We get to the whole question of redistribution of income. This certainly has to be grappled with. The basic ideas of society are pre-faced on it.

I do not think the future looks too good right now. I think we are going to have a great many men unemployed seeking social assistance. Records are growing up in Alberta and the amount of money is insufficient. The City will have to go for some more money to cover the needs of a great many men who are knocked out in hard times.

Many of these men could function quite well. If they have a job they function quite well. We are not in that group. We are down a few notches lower, and I think what this project shows, the present system can be more effectively applied, but you have to deal with the whole man and you have to deal with a fairly flexible system which gets out of some of the traps that the system we presently have has developed.

That does not answer your question but it is the only way I can answer it.

Senator McGrand: You sort of agree with me this problem is going to grow in magnitude regardless of what we do?

Dr. Kupfer: I can't accept that fully because then I have to become a sort of cynic and then perhaps take some other attitude. I think we have the intelligence to cope with what looks like...

Senator McGrand: Perhaps you did not understand my question. We have seen people today and we will see them tonight. These people were down and out and somehow you got them on their feet and you got them

going again. This is going to be harder to do in the future with this increase of technology and so on and the increase of unemployment. It is going to be tougher to do in the future.

Dr. Kupfer: I would agree with that. I think the other statement you made which says we cannot do anything about it, I think at that point, I think we must take a view that we can do something about it. The point is where do we strike?

The Chairman: What do we do about it?

Senator McGrand: He doesn't know.

The Chairman: You have as much right to your opinion and to your prejudices.

Dr. Kupfer: I guess I am too prejudiced based on my experience with this particular project. One is the existing system can be run better and can be run more sensitively and more equitably than it currently is being run. The other is that we have to have a basic restructuring of society. Now, on that point we are going to get into ideology.

Senator McGrand: What do you mean by basic restructuring?

The Chairman: You mean redistribution of wealth?

Senator McGrand: It means more than that.

Senator Carter: A different set of values.

Dr. Kupfer: You are talking about a kind of capitalistic society that we presently have, and I leave that word in quotes. There are certain things about it that seem to me to generate certain kinds of problems just as in efficient functioning certain kinds of problems are produced.

Senator McGrand: I often think about the Scandinavian way of doing things and they interest me enough that I drove 3,000 miles up and down Scandinavia looking at everything I saw, and it seems to me that thrift is the basic thing they operate on. They make use of everything, all natural resources of the community.

Now, this continent grew up on the great American dream that we had manifest destiny over the continent.

Thirteen colonies along the Atlantic Seaboard said we have the whole continent to look at as manifest destiny, and they get by that so in recent years it seems to be that our way of doing things is to use and to throw

away. You use it and you throw it away. It is cheaper to have something new than to use something that is only partly worn out. It is not thrift and it is used and thrown away.

There are a lot of books written on it. Consumer Complex. We are in a consumer society. We must use it and buy something new, and when you talk about restructuring society, this is the thing I think about it.

The Chairman: Are you in favour of stopping consumer credit every place?

Senator McGrand: I didn't say every place now. I said thrift.

The Chairman: Let us get back to this for a minute before we restructure society and let us see if we cannot do some restructuring here. When you gave this man \$50 more in the experimental stage, you gave him less than he would have received if the Economic Council recommendation had been taken into account?

Mr. Magnuson: Probably.

The Chairman: Not "probably". I have the figures in front of me and I have lived with them a long enough time. You gave him something less than what we call a poverty level. How could you experiment with something below the poverty level? You were carrying on an experiment, and rightly so, and you had free use of money—not too much; I appreciate that—but in experimenting, wouldn't you have experimented with something above the poverty level and/or at poverty level and say, "We tried this?" Why didn't you do that?

Mr. Magnuson: Well, I think that that came to us quite early. We saw that we have got to weigh advantages and disadvantages and then you make a decision and you go on course.

We felt it was far more responsible for us to ask the people what they thought they could get by on rather than arbitrarily saying to them you can have this much.

The other end is in our research and reading we ran across a document where President Kennedy had paid off some of the debts of some of the overseas service men who found themselves non-functional in terms of credit and wiped out their indebtedness entirely.

On follow-up, it was found these people were not managing their resources in any different way than they were previously. So our feeling was it was more responsible to

make a decision to have them set their own goals and requirements upon themselves.

The Chairman: If you have been reading our briefs, do you remember reading a brief of the Health and Welfare Council—a thick one? Do you remember the two examples put in there?

One of the examples was what it would cost for a family of four in Montreal and what it would cost for a family of four in Toronto. Those are nothing like the things that you are concerned with, with the things you gave out in addition to that.

Let me just say in the presence of this committee that we have had some very responsible inquiries from across the country—perhaps you call it a Gallop poll—asking people, “How much do you think you require?” And you would be surprised at the kind of figures they come up with. They were honest-to-goodness figures and nothing like the figures you gave us here at all that you experimented with.

Dr. Kupfer: These figures—you have averages. Averages don't mean every single person is getting anywhere near that.

The Chairman: We are not talking about averages. You broke it down to the extent of about \$50 or so difference. According to my figures you were way out in the amount of money you had available.

Let me give you one more example. On page 12, recommendation 4, you go for the demogrant.

Tell me, and either one of you can answer this, can you think of any good reason why I who have a public salary of \$12,000 a year—and draw old age security? Is there any particular reason you can think of why I should be drawing old age security?

Dr. Kupfer: We might make provision for you to give it up.

The Chairman: You recommended the demogrant, and demogrant means everybody gets a cheque who is over 20 years of age or whatever you want. Do you think the public would accept that? You have accepted it now. They send me a cheque for \$79. Can you think of any good reason why they should send me that cheque? Do I need it?

Mr. Magneson: No.

The Chairman: Well, why do they send it to me?

Mr. Magneson: I think it is easier for them to send it to you than to screen you out in terms of administration.

The Chairman: That argument was all right when it was used 15 years ago on the day we put it into effect. I was there so I know. We said it was the easiest way. We said that about the family allowance too, but is it easier today when you have these figures available or you can make a return or apply easily? Haven't we changed our course on that, on old age security when we said “Put in a return” to see whether you have or you have not enough money? Then we changed our course at that time. Justifiable? You agree with that.

Now, can you think of any good reason why I should receive old age security?

Senator Pearson: Supposing you were not in public service and you were getting \$12,000 a year and your business went to pieces and then you would have to start again and work on old age security and try to get some money.

The Chairman: But that would change with the people who are paying it. Anybody who is getting over \$10,000 a year, he may come down one year, down to \$5,000, in which case he will make application later on.

People on a pension plan may work part-time one place and part-time another place and the income is broken up a bit, but these gentlemen are social service people who are intelligent, and they recommend demogrant.

Now, we have had no recommendation for the demogrant before our committee since we began. It has always been the negative income tax. These are intelligent people, I want to know how they could justify giving me a pension of \$79 a month when they know I receive \$12,000 a year.

Dr. Kupfer: You pay it back in taxes.

The Chairman: We don't retrieve that \$79.

Senator McGrand: Not all of it.

The Chairman: Not half of it. That bunk has been passed around. You don't retrieve half of it back in taxes. The researchers should know that.

Now, tell me this: what is the purpose of paying family allowance to a man who earns \$10,000 a year in his present state? Is there any reason for that?

Dr. Kupfer: Not that I can see.

The Chairman: You are still talking about the demogrant. That is a demogrant. That is the thing I got from reading that. Of course there is not any reason for it. If you are going to use money where it is useful, then you have to take it away from some of us who don't need it.

Mr. Magneson: Correct.

The Chairman: Then you will have to change paragraph 4.

Mr. Magneson: I still defend it on the basis of administration. I don't know of another way at this point, maybe you do, Mr. Chairman, of taking and redistributing the income in an efficient manner. Perhaps negative income tax will work more effectively than this proposal does, but those that I have read to this point seem to me quite cumbersome.

The Chairman: The demogrant is the most simple method of doing it. Write a cheque and send it out and hope to retrieve it.

In the first place the Canadian public will not stand for sending out a massive number of cheques, and secondly, it is not true you retrieve it, so forget about that.

Negative income tax has administrative problems that are real. That is what you are here for. That is what we pay you for, to work out these problems and see that the thing works. I know of no problem that we have had in politics over many years that we have not been able to work out some way or another, so it is not insurmountable, but we have got to make some realistic approaches.

The experiment that you people have been carrying on is a very useful one. I started out this morning by saying you were the experimenters. I said that before you ever came here, because we know something of what is going on, but I did not realize you did it on the cheap. You are qualified people. You are experts. We ask you to do something and you do it right.

This committee is going to write a report but not until we have heard people. Then we are going to sit down and think about it and then we will write the report.

I merely point these things out because I have a great appreciation of what you are trying to do and what you have accomplished. I think you have proven one thing to the members of the committee, something I have always believed in, that if we get a basic allowance and we have good services by

trained people like yourselves, we can beat this whole problem of poverty.

We can do it. I have always been of that view. To help us we are having a special study made by social service people.

We had a brief from the Social Service Council of Winnipeg. They really have a story to tell, and they tell it well. It is one of the very best. I do not think you will see it in our printed proceedings because they merely sent it to us for our own reference purposes, but you can write to them and ask for it. And look for the one from Vancouver. That is a dandy.

We are delighted that you came before us and talked to us. We appreciate what you are doing. Your presentation has been very useful. We have listened very carefully to what you have had to say. On behalf of the committee I thank you very much.

(Upon resuming at 7:30 p.m.)

The Chairman: The Special Project Client Committee, whose chairman is Mr. Bob Jones will present the next brief.

You will recall that the brief we heard before we adjourned at four o'clock was presented by experts who had put on a special project. Now, these are the "guinea pigs" who are before us. They were the people who participated and made the project a great success in its own way. Mr. Jones will give us a short statement, and then he will in time hear any one else who has something to say.

Mr. R. B. Jones, Chairman of Special Project Client Committee, Edmonton: Mr. Chairman, on behalf of our group I would like to thank this committee for taking the time to see us and hear our views, for this is very important to us, and to very many other people.

On my right is Mr. Donny Hoogewaniuk who is vice-chairman, and on my extreme right is Mr. Dick Williams, chairman of our delegation and action committee.

What I would like to say, first of all, is that if it was not for the Special Project I don't know which end of the river my body would be floating on, and that is a fact. I am not saying that to be sarcastic, and by no means am I exaggerating because two years ago I was in one heck of a mess. Unfortunately even with the Special Project I was one of the fortunate ones to have been put in the Special Project as a referral.

When I was first there I was wondering where in hell am I going, what is going to happen next, because after being in the regular world with all the stigma, you don't know what is happening next. I found it was very informative. These little groups are a great asset. It was very informal and there was no stigma there. The secretary who was hired by the Special Project was very beneficial because of the fact that she also could relate to clients. She offered the client a cup of coffee when they first came in, and got them relaxed. It was automatically a relaxed feeling when you walked in there, and we found the Special Project staff, when introductions were made, after awhile the client and worker were known on a first name basis, and this was very good because there was no inferiority complex between the worker and his or her client.

Now I think to begin with, in order to summarize this to a point where you will understand clearly, I will use my own personal experience of how it has helped me.

At that time I was in bad shape. I didn't know who I was or where I was going and had a lot of hang-ups. My biggest hang-up, I wanted to be a singer and it didn't materialize. It was a big dream.

There was intensive counselling that was given to me which I am thankful for. Through extensive counselling I was brought back to a realistic situation. This helped me because I was really bad off. I used to quit jobs and go and sing and suffer, and that is why I was classified as unemployed employable. Just personality problems. Also I had an inferiority complex because I was Negro, and with this it broke the barrier, and as a result now when anybody offers me a cup of coffee I really don't mind drinking out of white mug.

I feel very much that this intensive counselling benefits a lot of people and not necessarily everybody need extensive counselling, but in order to gain more insight into the individual, which the Special Project Staff has done, they are able to find out just how much the individual needs, and his needs and how to get to them.

There are many things that have helped me. I only have a limited amount of time. I will try to get it across the best way I can.

There are fellow colleagues here who have a lot of concern to express. At the Project, I feel one of the assets was because the project had a variety of professional people. They have a psychiatrist; they have a social

worker; they had a researcher and educator and director which all came from different backgrounds, and if you can tell me, for example, how we can relate this special program for the regular system—this is what I am fighting for—as something better and the Special Project had better service.

How can a group of social workers have an assessment made of one individual or individuals and his wife and family and come out with actually different results.

On the Project with a variety of staff coming from professional backgrounds, it was found that the staff disagreed with a lot of things, and the purpose of this assessment meeting was to provide a better way for the individual, namely how to function in the future, and I believe there was a lot of value in the assessment meeting.

I believe that the truth always hurts and the truth comes out because you are behind a glass door with different people and listening and talking and bringing everything out. I believe it gained a lot of good results.

Also as a client on the Project, as a client gone through the mill, I felt that individual group meetings that the men had and the meetings that the couples had, I found a lot of value in them because I found that a lot of problems I had like many others, many are psychological, and they are not all bad as it turned out when you are talking with somebody else on the same level as you and they have the same problems as yourself. You open up and have friends and you talk about everything, and this really helps.

The same goes for married couples. It is an asset to talk with married couples, talk about several things, anything, because you are helping each other and you are accepting ideas and you are giving ideas, and I think both of these were very good things that were implemented into the Special Project along with the fact it had flexible administration which works according to the individual needs.

I feel that this was really an asset because you have just one straight rate: you know, you are in a heck of a mess because people's lives change accordingly. They change accordingly, and this is where finances have really fit in quite well.

Also I found through the sensitivity group exercises it is bringing out a lot of characteristics, these different skills, at the meetings, that the group has, and a lot of things that you wonder why a human being does this and

he does that, and I found out all this helped tremendously.

And best of all, was the intensive counselling, you really get to know yourself and know yourself better.

And what happened, from the Special Project, the client committee was born, and that is why we are here this evening presenting a brief to you, and it was first initiated by the staff and later became self-governing. This was an asset in so many ways. We were able to make decisions for ourselves. We were able to talk out to the public, to the news media and all the different levels of government and talk to people in a logical manner.

New clients coming onto the Project—as you know, there is an inferiority complex between clients and workers at all times—or most of the time—and if the client has trouble relating a problem, he can therefore go to the client committee, discuss the problem, and therefore we would take this problem or questionnaire, whatever it may be, to his worker and out of the client committee a budget committee was born consisting of three members, clients, which there is always a money problem because this is a problem with most people, and if people felt they would need more money they would go to the budget committee. They would sit down with three members, and they would work everything to the forefront and mark everything down and discuss it.

Therefore there are three members on the budget committee and they discuss it, and the majority rules. They will increase his amount or decrease, and believe me it has worked both ways. And in turn take this decision to the Project director, Mr. Magnuson, and we would explain to him that we feel this person should get more or less, and therefore the results would be implemented.

I feel many of these things have been a great asset. It has really brought me out to look at things realistically, and now there are a few things I would like to stress: for example, the news media. I found now that I have been straightened out the Project has put me in school and they set me out so I see a path. The Project works slowly, the client has to work hard also if he wants to get ahead. We are not God. We are only human beings.

The thing is I just finished my 12 and at last I see a goal ahead and I am working for it, and right now I am working with the social department up in the CN Tower and I am trying to implement some of the things myself, forming a clients' committee which I

thought was of great value and now I see both sides of the fence.

Something I want to stress is this: the news media, the radio and TV, it seems to me that every time the only thing that is printed or said on the radio is when some idiot says clients are bums and when some idiot says that social workers are lazy.

There is something that people don't know, and that is this: clients are not all lazy. If they are given a chance they will work. They have the potential. If they are given a chance. On the other hand, the social worker is not lazy. I am working up there now. It is hard. If people would understand the system, those poor people have a lot of work, and when you get 140 clients on a caseload how can you do justice to a human being, and this is the thing that people have to understand.

They don't seem to know this, and maybe this would be an asset if people knew both sides of the fence because right away it would take a burden off the client and the social worker.

The fact that I am now working up there, sometimes I see young kids that I am counselling, and I see myself just two years ago, and my God, I was helped. There is no reason that they can't be helped.

And many of these people I see today has more potential than I had and it is pretty sad when you are a 22 year old boy and the only alternative is for him to go to the hostel. I think that is really sad.

The only thing I have to say is that I was fortunate. I had a chance, and I took it, and I am glad I did. And there are so many people who need that chance and we would like to see them have that chance.

Mr. A. R. Hoogewaniuk, Vice-Chairman of Special Project, Edmonton: Actually I don't have to recite too much any more because the only thing is that I really want to emphasize the difference between the treatment we get in the Special Project and the treatment we have had before on welfare.

I see that is a system which is really doing the things that they are preaching, and I think that under the circumstances it is impossible to do so because there are too many caseloads, as Bob already mentioned, too many caseloads and not enough workers, and there is nothing we can do about it.

We are really trying to fight for the continuation of the Special Project, and if that is impossible, to have it implemented in a social welfare system.

The Chairman: How long has the Special Project lasted?

Mr. Jones: It has been two years. It is folded right now.

Mr. Williams, President Action Committee: September 1st.

The Chairman: Have you anything to say?

Mr. Williams: Not a great deal.

The Chairman: If not, silence is golden.

Mr. Williams: Other than there is a change that has to be made in the social system. We know this is not the full answer when they said, the welfare department said we might incorporate part of it into the regular system it would be so much trouble. I agree wholeheartedly because we could take good out of the welfare system today and incorporate it into this system and then it could go the other way because there is so much that is written up, traditional old law, and when you consider the world as the world is today, it has moved from long skirts to moon rockets in 50 years, and on this base of travel the old system is falling far short, and this is why the project was founded and used as an attempt to open these doors.

Senator Pearson: Can the Project be continued or are you continuing the Project?

Mr. Williams: We are endeavouring to keep the client committee alive because funds are not set out for the continuation of the Special Project.

Senator Pearson: The two years are up?

Mr. Williams: The two years are up, and until I took over in the committee, it has been a lot of study and a lot of learning to walk, you might say, and by the time we were in a position to voice or show anything as a factual base and a finding, our two years were up. It should have been set up as a 10 year project and not a two-year.

Senator Pearson: Has the City considered it all? Are they activating it?

Mr. Williams: We spoke to Mr. Wass about it, and he thought it was a great thing. Mayor Dent thought it was a very good thing. Mr. Speaker thought it was a good thing, and a chap from Ottawa was out and he agreed wholeheartedly. But it came to the old army buck-passing. One has to do this before we can do that, and they have to do this before

you can do that, and it was a bunch of baloney and a lot of buck-passing.

Senator Pearson: You said you were working in the CN Tower there. What particular thing are you doing there?

Mr. Jones: My job is to provide a link between the client and the welfare system. I guess you would say it is almost as a public relations man in an advertising firm.

Sometimes I may be able to communicate in each case better with a client than a social worker because I know what it is like. I know what it is like to be on welfare. I see these people, and it really concerns me. It is not money. Money helps anybody, sure, but the thing is if you have respect and understanding and concern towards a human being, this is so much more, and I am trying, and it is a new position and I am just trying to do what I have learned.

Mr. Williams: I think you should let them fire to us and we will do our best to answer in as short a time as we possibly can because there is a considerable amount I would like to get at.

Senator Pearson: These people that are all sitting around here now, have they all been through the program?

Mr. Jones: Every single one has been through the program.

The Chairman: Are there any aspects particularly, Senator Pearson, that the people here might cover?

Senator Pearson: Yes. Personal experience. I would like to hear some of the personal experiences you had. Why did you get down to the position you did to start with, and how did you manage to meet these people and get to where you are now?

Mr. Williams: I will relate that to a question that the Chairman was finding it difficult to understand, Mr. Senator, why do we accept this kind of money on the Project.

The Chairman: I never asked you that question. Senator Pearson's question should be answered first.

Mr. Williams: Yes, and I will have to come back to yours to answer his.

When you haven't got education to start with and you have grade 7, and the City demands Grade 12 to handle garbage cans, what kind of living do you think you earn on

the street with a man and wife and four children.

You are drawing maybe \$250 or \$300 a month. If you are bloody lucky you are making three bills. You have got to survive on that, and when they come up and you get \$350 or \$400, this looks like a gold mine to you, and you certainly can get by on it because we have known corner-cutting.

One thing we did not have was management, and this Project did give us help, and with this I think you will find your answer in this.

The Chairman: Did your wife participate?

Mr. Williams: Yes, very much.

The Chairman: If anything embarrasses you, you don't have to answer. What were you doing when you got married?

Mr. Williams: I was a logger for part of the year and the season closed down and I went mining. My previous background to that was farm labour and construction which is all seasonal work, a farm employee, and all our big leaders there decided it was the big farmer that needed ten or twenty thousand a year help and not the small farmer, and chase the small farmer out. Now these fat big farmers are sitting idle too, so touche to Mr. Dieffenbaker on that one.

Mrs. Williams, Client: I am his wife. There was just no communication. He was up-tight and there was no communication. Consequently I got up-tight and that is where the counsellor in the Project helped us. Somebody to sit down with, and you have got to go some place. It is not a case of whether you are right or he is right, and I think that helped us, just the fact there was communication.

The Chairman: There is no question about it, over a period of two years you have both been helped.

Mrs. Williams: Both of us.

The Chairman: And that is the answer.

Mr. Williams: Industry and farming has continued to be the main unemployed, and who goes, the fellow with the poorest education, and even a trucking company—there is something I did for five and half years and could stop one on a dime. Well, I could go for a job driving a semi again, and the first thing they want is my Grade 12 diploma. It doesn't matter, that five years on them.

The Chairman: How old are your children?

Mr. Williams: Our oldest boy is 21, and 14 and 13.

The Chairman: the 21 year old boy, what education has he?

Mr. Williams: Grade 11.

The Chairman: What is he doing?

Mr. Williams: Electrician's apprentice.

The Chairman: And the others, what are you doing with the others?

Mr. Williams: In school.

The Chairman: How far up?

Mr. Williams: Nine, and the young boy missed this year, so he is in seven, and five and three.

The Chairman: You are not losing sight of the fact that lack of education is what handicapped you. You make sure it doesn't handicap your children.

Mr. Williams: If I have to butcher half of the department they will get their education, and I feel just that strongly about it because when I sit back and I read in the paper there is some premier or some official has gone on pension of twelve or fifteen thousand a year, and he is you might say an old crow up in the eighties, and I am sure he needs that kind of money to live on, plus he draws old age pension on top of this—something has got to be done about it.

The Chairman: Don't get upset over these things.

Mr. Williams: It is easy when you are at the helm, but when you are lower on the totem pole...

The Chairman: There may be very good reasons for a man who has probably earned it—let's stay with your problem.

Senator McGrand: Did you say you have to have Grade 12 to drive a truck, and your son with Grade 11 is an apprentice electrician?

Mrs. Williams: And he still has to go to school so long every year.

Mr. Williams: He is schooled to what an electrician requires. No more. Just what they want you to know to be able to become a qualified electrician.

Senator Carter: Are you working now?

Mr. Williams: No, I am not. I am at school.

Senator McGrand: What grade have you got to? Manpower...

Mr. Williams: Manpower won't put you in school unless you want to become an educator.

The Chairman: It would be well to answer the question.

Mr. Williams: No, not Manpower.

The Chairman: Just answer the question, the side effects we will look after.

Mr. Williams: Well, this is my own personal feelings.

The Chairman: I know, but just Manpower. Where are you taking this, under the government?

Mr. Williams: Special Project and ADC is paying part of it, and the Special Project paying the other part.

The Chairman: How long have you been in the Special Project?

Mr. Williams: A year in August.

The Chairman: That is the project that the province has especially undertaken. No other province has taken that?

Mr. Williams: I don't say they are all bad.

The Chairman: I was not trying to impress you with how good they were, but to indicate the Government of the Province of Alberta is alive to the situation.

Mr. Williams: Yes, I realize that they have got a lot of things going, and if they do what they say they have started, on the employment effort which I think is a great thing because the Manpower should not be separated from welfare or unemployment insurance.

The Chairman: There is a problem there.

Mr. Williams: Because both run hand in hand.

The Chairman: We have had that before.

Senator McGrand: On page 10 you say, "As mentioned above, at the latest counting about 70 per cent of the Project clients have gained access in work..." 70 per cent of those who have gone through the mill have now gained success in work or upgrading? 70 per cent?

The Chairman: Or upgrading in high school.

Senator McGrand: That is a pretty good record, isn't it?

The Chairman: As against 40 he says in the next line.

Mr. Williams: Yes. I think it is a very good percentage, and I doubt without the counselling that we have been given we would have this kind of percentage.

Senator Carter: I would like to ask a question of the vice-president. I have forgotten his name.

Mr. Hoogewaniuk: Tony Hoogewaniuk.

Senator Carter: Tony, how did you come to meet this Special Project?

Mr. Hoogewaniuk: I was jobless and I was on provincial welfare and my social worker told me that I had to go to the Special Project. I didn't know anything about it.

Senator Carter: Who told you?

Mr. Hoogewaniuk: My social worker. You are going for provincial welfare and you are going onto a Special Project. I didn't know anything about the Special Project, and I thought well I might as well.

Anyway I met the people there, and to be honest, you know, I told my social worker that, too, that I felt like a guinea pig. But anyway, the first couple or three or four weeks I guess I was quite reluctant, and then by talking with the staff and by doing psychological tests, et cetera, I got more aware of what was going on and what they were trying to do with me.

Senator Carter: How long did that take? How long did it take for you to realize just what it was all about?

Mr. Hoogewaniuk: I think a month, five weeks or so. Maybe some people were more quicker than me, but just what I said, I felt like a guinea pig.

But I rapidly changed my mind. When I realized what they were going to do and what they were trying to do for the people on Special Project, and from there on I got more interested.

I might say from there on I am really fighting for this Special Project. It is not only that I have benefited myself, but I think they can do a lot of good for other people who are in need of it.

Senator Carter: At what point, Tony, did you realize that it was something good? What triggered off in your mind? I mean your attitude at first was that you were a guinea pig.

Mr. Hoogewaniuk: That is right.

Senator Carter: But you changed. What caused you to change?

Mr. Hoogewaniuk: Well, I read the manuals from the social department, and there is one sentence, the objectives for the services of this department are to stimulate within each person to know his ability, to gain or regain or maintain a sense of self respect and personal worth.

I say that they really did what they preach because I mean I had always the feeling when I was on welfare, you know, I felt I was a good for nothing and I was down. I mean it was degrading.

As soon as I came on Special Project, that feeling was over. They made me gain my self respect again. You had to set yourself a goal to work to or something, and they were really interested in the individual.

Senator Carter: That is what sparked it off? You felt their interest in you as a person?

Mr. Hoogewaniuk: That is right.

Senator Carter: That is what brought about the change in you?

Mr. Hoogewaniuk: Yes.

Senator Carter: What in your opinion is the main element in this project as far as you people are concerned that has been successful? You are all praising it and you want it to continue. What in your opinion is the main element in the success of this thing? What has contributed most in your opinion to its success?

Mr. Hoogewaniuk: Because being on social welfare I have not met anybody who got an opportunity to upgrade himself, to go back to school and take Grade 9, 10, 11 or 12, and we have the opportunity here. I think this is a very great asset.

The Chairman: Is your wife here?

Mr. Hoogewaniuk: No.

The Chairman: Will some lady answer that question that Senator Carter asked as to how she is affected?

Mrs. Burr, Client: You mean our feelings towards what they were doing?

The Chairman: Yes, and when did you realize and when did it affect you? When did you enter into it wholeheartedly?

Mrs. Burr: When you first start out you are reluctant. You have been on social service. Myself, I have been on it a long time and I have a family of 10 girls of my own and we were really down and out, and when we got a chance to go on Special Project, we were told what could happen, and what couldn't happen, that they would try for us, and they did.

There has been many an argument, and we thought things were wrong and we could go to them and tell them we don't like it, and they were willing to go along with us on many things, and after awhile you get self confidence and you get these things back. You seem now a real good person. You are not a poor person any more. You are the same as them. You are treated the same. And even though they are in a higher class, and I think this is great, you are in such a rut when you are on welfare you need someone to come and shake you to get you going again. And this is what they did.

A lot of times you go in there and you don't know what you are going to be greeted with. You can always fight back. They give you two minutes to say what you want, and it is usually "I will give you a cheque", and you go out the door. We don't want all that. We want a feeling of being wanted.

The Chairman: How old are your children?

Mrs. Burr: 14.

The Chairman: The oldest?

Mrs. Burr: Yes. And 13.

The Chairman: And then down?

Mrs. Burr: 11, 9, I have two 8.

The Chairman: All right. What effect did this have on the knowledgeable children; on the 14 year old?

Mrs. Burr: It was great.

The Chairman: Explain that to us, will you? What did you expect with your change in status? In your own view you have had a change of status?

Mrs. Burr: Right.

The Chairman: Did it or did it not affect these knowledgeable children of yours? You know, not the babies.

Mrs. Burr: Yes, it did.

The Chairman: The 14 year old child, did it or didn't it?

Mrs. Burr: You know even the older children get to a point we don't tell our classmates that we are on welfare, but I told the girl any time to go and see the social worker. If our children had problems we could take them to one of the social workers that was working with you. He would gladly sit and talk to that child.

My girl was hanging up on a lot of things. Being on welfare she knows that she was no good in the first place. She went down and she talked things out, and there were many children helped in the Special Project. You know, in a family that has been on welfare a long time the children get an inferiority complex.

Not only the parents, but the children too, and after awhile the children feel different, and you see them starting in school better. My two older girls—one is going to school this fall to a trade school and the other one has come from modified 8, which is slow up to unrestricted Grade 9 this year, and this has happened this year, and she was way down too. And even the other children are doing well.

Senator Pearson: Do you still get your welfare cheque?

Mrs. Burr: No.

Senator Quart: Your husband is working?

Mrs. Burr: Yes. He drives a truck. \$101 to licence the truck. He is out bailing hay or cutting hay, whatever there is, until he can do better and get better. Until he can get his truck on the road again.

The Chairman: This other lady's children are small. Who has children that are impressionable; 14, 15 or 16 years old?

Mrs. Williams: I have.

The Chairman: Can you add anything?

Mrs. Williams: I think basically in the Project...

The Chairman: Excuse me. How old are they?

Mrs. Williams: 14, 15, 11 and one girl 8. Well, they vary to the point the parents are on welfare and you do feel it, but with the Special Project, after you start looking at

yourself, you get your pride back and the family gets it pride back and you too and they gain pride from that.

You take away a man's pride and he has got nothing. You get it back in a bit and the children sense this. If you are not ashamed they are not going to be so ashamed, and I think that is basically how it worked with me.

The Chairman: Mr. Danyluk, you have seven children?

Mr. Danyluk, Client: Yes.

The Chairman: How old is the eldest?

Mr. Danyluk: 17 and 16.

The Chairman: Boy or girl?

Mr. Danyluk: Girls. And then I have two boys 13 and 14.

The Chairman: Let us talk about the two girls, impressionable young ladies in that they were 14 and 15 when you started in this project.

In your own words—you don't have to use our words—can you tell us anything that you think had an effect on your household, and particularly on the children? Perhaps your wife too?

Mr. Danyluk: Before I came on the Project there was a lot of bickering and a number were running away from home. A little old for that, but anyways, in other words, during the period of time I was away the kids finally realized that their father just was not able to provide so they went on welfare.

During the five months I stayed on the regular system my children cried and used to walk around and sneak around and they never had any friends. Their marks were down. Their school work suffered and I guess it was shame of being on welfare, and most of their friends knew about it, and then when I went on the Special Project in January and they sent me back to school—now my kids, I am proud to say, that the two oldest ones that I was having so much trouble with, one of passed with quite a few honour marks, and they are all high marks, which means that through help in the Project and counselling, and through my own—I went back to school and I am going to Grade 12 now and I will be finished and on my way to university I hope in September if I can get a loan—and it has improved. The whole family has improved. They can walk down the street now and hold their heads up with anyone.

Senator Carter: Tony told us how he came in contact with the Project, and it took him about a month before he caught on what it was all about, what they could do for him.

How long did it take you?

Mr. Danyluk: It took me almost as long as Tony in the sense that we all now—I don't know, through my own experience I knew something about it. I had read a couple of articles of a new attempt and new concepts that social welfare people were trying to improve, so my social worker in the old system recommended that I try this Special Project in a way, and the only way they could help me any further she felt was through the Special Project because the old system just won't give you an education.

Senator Carter: What education did you have to start with?

Mr. Danyluk: I had Grade 9 and I had gone through ATV before, but I reached Grade 11 and then I went to work for a couple of years, and during that time I got quite sick and I couldn't continue. I was a carpenter by trade. I couldn't continue the heavy load of heavy work and I got sick. I didn't know what to do and I went back on the regular social welfare.

Senator Carter: Can you answer the same question I asked Tony? Would you agree with this or could you add more to what he said about what is the most single important thing about this that helped you?

Mr. Danyluk: Self-respect.

Senator Carter: To get you on your feet?

Mr. Danyluk: The single thing was the self-respect; the fact that I could walk with my head up and being treated as a human being. Not as a number. And through the old system they have so many of them there that most of the time if she didn't look at the card she wouldn't even know who you are.

They give you self-respect and they give you a goal. With me an evaluation committee were able to talk with the wives and the family. We planned all this as a group.

Senator Carter: How long did it take? Did it take you a whole month before you began to regain your self-respect, or did it take more than a month to realize it?

Mr. Danyluk: It takes longer to gain self-respect, but they give you a feeling that they are helping you as a human being.

Senator Carter: Did you start right off, right at the beginning? That is the thing that impressed you first, is it?

Mr. Danyluk: Yes, the fact that you are not a number; you are a human being. It has a singular effect. You know, filing a report and have the social workers look at you and they get that sneer in their voice and get, you know, well, it is too damned bad; you are on welfare but you are not going to get what you think you are going to get.

Senator Carter: You are not regarded as a person with need? They think in terms of what the law will provide rather than what the human being needs.

Tony only wanted to supplement what he said.

Mr. Hoogewaniuk: Yes. I wanted to say something that is very important and I almost forgot about it. On the regular system you have vouchers and now we get cheques, and that is something that you feel more like a human being if you can go with the cheque to the bank and cash it than going on vouchers to the store and getting your groceries like that.

Senator Carter: It doesn't mark you at the beginning.

Senator McGrand: You are in Grade 12 now and you are trying to make university?

Mr. Danyluk: Yes, sir.

Senator McGrand: What are you going to take up in university?

Mr. Danyluk: Education. I hope to be a teacher.

Senator Carter: Why don't you go in as a social worker?

Mr. Danyluk: I have been asked by a number of people why I didn't choose social work, and I have a very good answer for it. I was under the regular system, the old system, too long to be able to take a job like it and hold my self-respect.

Senator Carter: You are under a new system?

Mr. Danyluk: Not yet.

Mr. Jones: An experimental system.

Senator Carter: You don't think you can operate under the system as it was?

Mr. Danyluk: No, I don't think I could operate.

Senator McGrand: Enough people like you in it would make the system better. Remember, a lot of these social workers have never been on welfare themselves, and their knowledge of social work was basically taken from a book.

Mr. Danyluk: I have discussed this with my wife. But we model some of our ideas from the Special Project—I feel personally the Special Project has dealt with it in such an unusual and humane sort of way that a city hall would say we might accept and try to change, I might try as a social worker, but they don't want to commit themselves.

Senator Carter: It depends I suppose on what the province will do, and the province has got to depend on what somebody else will do. The system does not begin and end at city hall. City hall is only just one cog.

Senator McGrand: Who is going to change his attitude towards the city?

Mr. Jones: Why is it that the Special Project being born for only two and a half years and could produce a program with such good results and services, why is it that something like a project and various other things that have come along in different areas of work, that they have been good and is an experimental thing, and yet when they introduce new policies, it is never an experimental policy.

The policy goes on for centuries. Why can't they introduce policies for experiments for two and a half years, for example?

Senator Carter: Why can't you do it? You say "Why can't they?"

Mr. Jones: I mean the government.

From the floor: Any government.

The Chairman: We are concerned with the government of Alberta.

Mr. Jones: I am not speaking specifically in the social sphere. I am speaking of policies, any kind of policy. It is hardly ever an experimental thing to see how it is going to work out.

It seems to go on an awful long time, and what I am trying to stress, I believe there is a point there, that the Special Project was an experimental thing and it was good, and I don't know, in the two and a half years, it

really takes about six months before the client really starts to get involved, to get going, and that half a year is gone already.

The Chairman: Listening to the people who carried on the Special Project, listening to you, you have all said it was a tremendous success. If it is a tremendous success it is good for everybody as well as yourselves?

Mrs. Williams: This is what we want.

The Chairman: One of the reasons they may well give for not carrying on the Special Project, as far as you are concerned, is that it involves additional expenditure. I don't know what it is exactly in figures, but it involves additional expenditure, and it may be some of the things you consider were a success, on examination they may not agree totally.

They may accept some and not others. We agree that the Special Project proves something of great value, but that great value now has to be passed on to all the people who were in your position before you came on the Special Project. That is the government's dilemma and the dilemma of the people who are there. That is the problem they have got to face right now.

Mr. Jones: After two years, did they look at the referrals—the last referrals were as of December 31st, 1969. Did they look to see where the clients are going to be standing in September?

The Chairman: That is a question I don't want to ask because it is a toughie as far as we are concerned. This is something you are going to have to work out. You just can't come and say, "Get off the roller coaster while it is moving." You have been used to something, you have cooperated and you have helped, and now you are used to a little different standard than you had before.

Now, is it possible to bring this up to the desired standard? They have a real problem on their hands.

Senator Carter: I don't think, Mr. Chairman, they have properly assessed the problem that faces government. You people have had success and you yourself have said that you go in for two minutes and your file is out and you are gone. Now you haven't been treated like that. You have been given weeks, and weeks and months, and that takes a lot of staff.

Mr. Jones: A lot of staff.

Senator Carter: Yes. Look at how many staff you have had for your group, and when you multiply that by the whole province.

Mrs. Dahlberg: It might require a lot of staff at first, but as Bob pointed out once people get going they can form their own committees and help one another.

Senator Carter: But you still have to provide psychologists and sociologists and all the other expert opinion you people had.

Mrs. Dahlberg: Yes. Initially.

Senator Carter: We have to plan on a larger scale too. These people, you know, they don't grow on trees.

Mr. Danyluk: We have used outside help for what we call our sensitivity groups, familiarity groups. We have had this help from outside sources like the university. You have the psychologists there and you have psychiatrists and you have a lot of help that could be used without too much expense.

The Chairman: But you had a staff of eight and a call on about six experts here and there. It is a matter of expense. These people are not available at every corner, and your total group is what—97?

Mr. Jones: 109.

The Chairman: One for every ten or something like that, but anyway there are how many on welfare in here?

Mr. Jones: 18,000.

The Chairman: 18,000 people on welfare and you were 109 on welfare.

Mrs. Williams: Can't you get some kind of social aid to take a lot of the welfare worker's load? People on welfare are getting that money whether they earn it or not. Wouldn't they get a certain amount of pride if they could earn it? It is being paid one way or another. Would that build the expenditures up that much?

The Chairman: Don't forget on top of everything else, in assessing this, yours is the only experiment of its kind in Canada. Give credit where credit is due. You have proved something to the rest of Canada.

Mr. Hoogewaniuk: That is the end of it?

The Chairman: I didn't say it was the end of it.

Mr. Hoogewaniuk: This gentleman just mentioned that it would cost too much staff, and there was mention of 18,000, but of the 18,000 at least 50 per cent old age and disabled persons and mentally ill persons. Maybe five or six thousand people left who are maybe eligible for this Special Project.

Senator McGrand: No generation of people have ever been able to conquer the problems that rose during that generation. It takes two or three generations of people to develop techniques to overcome the problems of yesterday.

It is just that people often say why haven't they got a cure for cancer. Don't expect them to solve a problem in a generation in which it arose.

The Chairman: These people are all saying to themselves, Doctor, you created the problem in your generation and we are the people who are living in it.

Senator McGrand: But very few people of the older generation believe that they created this problem. True we did. True we did, not in my generation but the generation that preceded it.

The Chairman: I belong to your generation.

You see, what has happened is this: what we have been hearing in our meetings is that good social work can rehabilitate and pay off. The second thing we have been hearing is that if you give these people enough money to live decently they will live like decent people.

Two things we have been getting across the country, without ever knowing that it has been proven except from the experiments we have had in the United States. Now we hear it from our own people, in a small way, but it confirms what we have been hearing across the country. To that extent it has been a most valuable contribution that they have made here today.

I don't know that I can say anything more because it is not within our scope.

Senator Carter: I don't want to give the impression, Mr. Chairman, that I feel this is discontinued or should be discontinued. I have no feelings about it. This is purely a problem for the city and the provincial government.

The Chairman: Yes, but you realize, Senator Carter, you have always been a great advocate and supporter of those things I have mentioned.

Senator Carter: Yes.

The Chairman: As have other members of the committee. These things have come to us, and this is the first brief.

Senator Carter: My own regret is that this experiment was not set down for five years instead of two. Two is almost too short.

The Chairman: I think something will have to be done. In my view it can be too great a shock for these 109 people. You can't pull the rug out from under them just that way.

Perhaps the other was not a great shock when they came into it, when they were given personal attention, but to suddenly pull the rug out doesn't sound reasonable to me.

Senator Quart: May I just ask a question, please? I am very much impressed with your group and with the brief this afternoon too, and I can certainly feel that this has a report.

All right. Now let's say it has folded up. Have you any plans to get together as a group?

From the floor: Yes. Yes. Yes. We are meeting regularly.

Senator Quart: And you keep meeting? Please hang on. Something is bound to happen if you do. Some people are going to be very interested in that in the city or government, and if you let yourselves slide back you are not going to get anything. So keep together.

Senator McGrand: You have to have a project to work for.

Mrs. Burr: We have went to many people. We have had many people to our meetings, and Mr. Wass and Mr. Motherwell or Mr. Speaker have asked us to really stay together and it would be very disappointing to all these people if we don't. And this is what our chairman and vice-chairman or whatever you want to call him, they are all trying to do really hard, and there are letters whenever something comes up, or they phone and they will phone and pick you up and make sure you get there.

Senator Quart: Why don't you appeal to the service clubs?

Mr. Jones: Mr. Chairman and Senators, can you tell me how I can go about to get a lousy coffee pot on the regular welfare system? That is one giant step for mankind, to serve

coffee to the clients, you know. This is in the CN Tower.

Senator Quart: I am sure you can get a coffee pot.

The Chairman: Well, a coffee pot is important.

Mr. Williams: I feel one of the greatest things and yet it is the saddest of it all: it is only a two-year project. If it was a five-year project it would come to the same type of day again and it would be this much further away because it takes time for staff to evaluate it and present it and get it edited in a manner that is acceptable to the people, as well as the government, and therefore possibly with good grace we are going to be the two years ahead instead of two years further behind.

The Chairman: That was the attitude that I had in mind.

I am closing now, you see there had to be an end some time. You knew it and everybody knew it, but the value that came as a result of two years of experimentation displays itself here today.

The understanding of what you have had, you can't tell what value that will bring within any reasonable time to yourselves and to others.

In this business, one has to make a contribution beyond himself. You have done that and you have been helpful. There cannot be any doubt as to what the future holds in store.

We don't know the answer ourselves. We are impressed with your committee. It expresses the view we had on behalf of this committee. We want to thank you for coming and explaining to us exactly how this experiment was carried on because we want to take very serious note of it.

Thank you very much.

The Chairman: We have a brief, Senators, from Edmonton and District Council of Churches. The president sitting beside me is Reverend Edward M. Checkland, and with him, Mr. David King, Researcher.

If you would like to proceed, sir?

Reverend Checkland, Chairman, Social Action: I would like to read certain selected portions from the brief which I think make the major point that the brief is designed to draw to your attention.

I would like to draw to your attention and the attention of this Committee to the paragraph at the bottom of the page:

We should like to draw to the attention of your Committee that even as ripped from their context, the words "The poor you have always with you" are a fundamental comment upon human nature and upon human society.

Concerning human society these words say that poverty is a function of civilization. Never in the history of mankind has any civilization been able to eliminate poverty. Poverty, indeed, has been the stone upon which every civilization has been built. The poor are always with us because civilization as men have created it requires that they be. No other conclusion can be drawn from human history as it has been lived on this planet.

Civilization has been built upon the backs of the poor. The classic examples of this are the slave, the serf and the coolie upon whose tortured muscles and tormented minds the glories of the past and even of the present were built. The wealth, power and comfort of the North Atlantic world are established upon the depressed conditions of people in Asia, Africa and Latin America.

And dropping down a few lines:

In short, poverty, in our world has become a function of development. And now as the pollution of our air, our water and our land, becomes the evident and inevitable consequence of our pursuit of development the visage of poverty is assuming a grimmer and grimmer aspect and is becoming more and more the face of the future.

To recognize that development has become the source of poverty in our world we have only to recall the comment made in the 1850's by an English visitor, Lord Carlisle, that it was the blessed good fortune of the United States that they had among them, as a class, no poor; and to note that the existence of the poor, as a class, in North America has become the central problem of our society.

A case in point in Canada is the fact that N.H.A. mortgages originally designed to help lower income persons have in fact benefited them but little since money for mortgages was subject in the market to the power of the highest bidders who, of course, could not be persons from the lower income brackets. To understand that through the destruction of nature development has become the source of poverty for all in our society we have only to read our daily newspapers. Our predicament

was succinctly, though probably unconsciously, put in words on a roadside sign in the Banff National Park which describes that park as "A museum of nature."

The point to be taken from these comments is simple and direct; namely, that it is men who make other men poor. Poverty is neither the consequences of the Acts of God nor of the operations of a self-adjusting, automatic system. Poverty is the consequence of the acts of men operating their society.

The words "The poor you have always with you" have become, therefore, a comment, in the twentieth century as they were in the first, upon human nature.

Civilization and development are the work of men and the prevalence, persistence and extension of poverty is a fundamental comment on the kind of people we actually are in our civilized and developed world.

We create poverty for other men because we are moved and directed by a mind that has become impersonal and mechanistic, more concerned with maintaining and operating the system than with the effects of the system upon human beings.

Men are being made for the system and not the system for men. Much of the unrest in our society comes from the recognition of this fact and from the refusal to accept it any longer.

It would seem, for example, we are being told just this by the refusal of the native peoples of Canada, to embrace wholeheartedly the possibility of their being absorbed into the "white man's civilization". We have, it seems clear, become the kind of persons who in the name of development do such things to other people that perpetuate and extend the rule of poverty in the world.

Defining poverty as a problem becomes, then, a matter not merely of scrutinizing the structures of our society to discover their inequities but methods of removing or lessening them.

Fundamentally, it resolves itself into a willingness and capacity for self-examination and criticism individually and collectively to discover how, in private and societal relations, we are failing to be persons to one another and to those beyond our own Western culture. Poverty is a manifestation of that failure at home and abroad.

We need to examine our ways of life to discover where and how they place unequal burdens on the backs of the poor. For example, we have to become aware of the fact that

the rate of return on investment, which is the fundamental factor governing the development of our cities and our natural resources, is not an adequate foundation for a human habitation.

This probably more than any other single factor contributes to showing that 30 per cent of our population below what the Economic Council of Canada and others have described as the "Poverty Line".

The attitude which dominates our society as reflected in our concern for the rate of return of investment shows itself in the administration of our social assistance and welfare programs. They are designed to prevent starvation and destitution rather than to provide the opportunity for a reasonable and responsible human life.

They are so designed because to our mind the only fully human beings are those economically productive. Consequently the elderly, the unemployed, the handicapped, the poorly educated, the emotionally impaired and the otherwise disadvantaged are given assistance but little position in our society.

For example, the established fact that retarded children are capable of showing affection to a degree considerably beyond that usually exhibited by the so-called normal person is given little consideration by us.

In less developed societies such persons are often regarded as the chosen of God. It is not unfair to say that they are regarded by us merely as misfits because they do not fit the productive mechanisms of our economic order. It is of little consequence to justify ourselves by pointing to what is done for those on the fringe of our society.

We have to face the fact that they are on the fringe of our society and to inquire what that says concerning us. We need to see and treat them as persons whose very disabilities provide for us the opportunity of being persons in ourselves in ways denied to us by the domination of economic interests over our society.

The fact is, moreover, that the majority of people in this world are on the fringe of human society. It is probably true to say that at the moment there are more people in the world living in misery than have ever lived here at any one time in human history.

During the sixties the poverty-affluence gap between the underdeveloped and developed nations became a truism. In that decade the gap was not closed but rather widened and largely because of the domination of investment over our minds.

To establish a human quality of life for those on the fringe in our world should become the basis of domestic and external policy for Canada. The world in the next thirty years will become an increasingly managed world. Under the growing domination of economic consideration vast new powers have arisen in the form of global companies whose interest is in investment opportunities rather than in the quality of human life.

At present these powers are not very amenable to control by any of the existing political and social structures of our world. Management of the world's resources as conceived by them is likely to emphasize exploitation and manipulation in the interests of investment with the benefits accruing to people being largely incidental to those interests.

The interests of people must become the concern of governments not only within their own borders but throughout the world. Democratic governments rest upon the consent of the governed and if they do not become the champions of the interests of the dispossessed at home and abroad they will lose their credibility for people.

Democratic governments must accept the responsibility of ensuring that human life is given an economic foundation that allows men and women to become free and responsible persons. An economic floor below which no person is allowed to fall must be established. But a floor is of little use if the sky is the limit for those whose main interest in life is in over-reaching their fellow men.

Consequently some kind of ceiling will need to be established to keep income differential within bounds. The unresolved problem of the industrial order has been income. The so-called wage-price spiral is evidence of this and witnesses to the disruptive effect of the lack of a ceiling which lack causes concern for the money and economic interests to be paramount among men in their anxiety to maintain their comparative positions in the economic scale.

Were we to be facetious we could suggest that the model for the future should be an elevator in which all travel together. Certainly, if we do not travel together, it is very probable that we will all go down together.

Mr. Chairman, ladies and gentlemen, we have not been concerned to define for you precisely the ills of our society which create poverty nor to recommend to you specific remedies for those ills.

For that you have available to you the advice of those whose expertise far exceeds ours in these matters. We have been concerned, rather, to raise for you, and for us all, the more fundamental question of the perspectives and values pursued in our society because we believe that something other than the logic of the attitudes expressed in our present aspirations and ambitions needs to be brought to bear upon the problems of our society.

Those problems need to be seen as functions of our present attitudes and it is our hope that we may have made a modest contribution to that end.

The Chairman: Would you like to express your view on the work ethic?

Rev. Checkland: You are referring I suppose to the protestant work ethic?

The Chairman: I gathered you were protestant, Reverend, yes.

Rev. Checkland: Well, let me reveal, very briefly and cursorily what I think is the history of that ethic. It starts, of course, because of the statement in St. Paul, in the New Testament, if a man will no work, let him not eat, and that has become pretty much a catchword in our society.

Under the impact of a certain form of protestantism, Calvinism, it became very powerful, and, as one of the great European sociologists of a couple of generations ago, pointed out in his protestant epic, "Spirit of capitalism", and to go back to what St. Paul said, what is not said in the New Testament, the writer of that particular letter did not need to draw he attention of his people to what they already knew, that the reason, the moral reason by which St. Paul was able to make that statement, if a man will not work, let him not eat, was that the church at that time accepted responsibility for providing work for a man, and if a man had no work or could not work, support was given to him out of the funds of the church.

But if he refused work in that very much simpler society than ours, he was regarded as being simply an exploiter of the bounty of the church.

However, in our society this is far different. As I am sure Members of the Committee realize, we now have a possibility at least where the work load as such can be reduced to a very small minimum of time and effort from that which it once demanded of man.

But I think we cannot simply pursue thinking in terms of the past at this point. That work equals good was certainly true when I was a teenager in Canadian society, but I think we do have a problem with this leisure, and it is the ability to accept full responsibility for ones own time which is not a low order of ability. It is a very high order of ability, and if we are going to rule out the work ethic or if it is being ruled out for us, then work as it has been conceived has to be translated into some form of constructive effort and the use of leisure time, and this will pose its own problems, but I do not think it is possible to move a society in that direction where it doesn't really grapple with the kind of problems, with the existing aspirations, ambitions. What I have called in this submission the logic of our present mind set has been pretty radically changed. It will not be enough simply to allow leisure to come upon us if we have not been prepared to see it as an opportunity which overrides economic considerations in our society for the development of human beings.

But if we allow economic considerations—which is the other side of the word ethic—if we allow investment to dominate our programs and policies, then we will buttress that by falling back upon the work ethic.

Senator Carter: You blamed it on St. Paul, but I thought it went back to the Garden of Eden.

Senator Quart: I suppose you are trying to blame it on the women now?

Rev. Checkland: I don't know what it is precisely you are referring to?

Senator Carter: Wasn't there Christ's pronouncement, "By the sweat of his brow"? He had to earn his bread.

Rev. Checkland: There is a clear distinction in the Bible between work as constructive effort and toil as unrewarding and unremitting effort.

Now, the early Calvinists, and St. Paul, thought of work as something quite constructive, and so long as men had a fair degree of control over their condition of work, and so long as craftsmanship was the dominant expression of work, it was constructive.

But it seems to me this problem, for example, that Karl Marx raises for Western society—I think he raised the right question. His answer is an entirely different matter.

But in that situation something changed overnight but our attitudes towards work did not change overnight and we are very often reinforced by going back to the past, using the Scripture as a logistic way of reinforcing those attitudes.

This is, I say, how the work ethic developed and got us in our bind right now.

Senator Carter: What does your Action Group do?

Rev. Checkland: We are largely involved in engineering community techniques, involved in the matters of social action and do not run social action projects as such.

We haven't funds for that, nor have we got personnel. But it is an attempt to keep denominations who are members of this Council in contact with public issues.

Senator Carter: How wide is your Council? Is it confined to Edmonton or to the province?

Rev. Checkland: No, it is not the province. The district refers to the immediately contiguous community, like Sherwood Park, St. Albert, LeDuc. Other than that it is the Metropolitan area of Edmonton.

Senator Carter: How many denominations do you have?

Mr. King, Researcher: Nine members, three affiliates, including the Roman Catholic Church and Greek Orthodox.

Senator Carter: They are all Christian denominations?

Mr. King: They belong not as individual congregations, but as denominations.

Senator Carter: As denominations they extend beyond the province?

Rev. Checkland: No. The membership of the Council is the Church court of the denomination in this area. For example, the Presbytery of the United Church; the Synod of the Anglican Church. I have forgotten what the parallel body for the Roman Catholic Church is, but it is the Church court for this area that are members of the Council of Churches.

Mr. King: Local level of the United Church belongs, but neither the Conference which encompasses the whole province nor General Council which is a national body belong to the local Council.

Senator Carter: How do they carry out their function? How do they extend your ideas? What do they do?

Rev. Checkland: I am not sure I follow precisely what you are getting at.

Senator Carter: You said you do not undertake any specific projects as a Social Action Council, but the members do.

Rev. Checkland: We don't undertake any social welfare.

Senator Carter: No. No. I am trying to get at what is Social Action. Just what are you trying to do?

Rev. Checkland: We have been involved in public issues in the city, civic elections, provincial election. We have also been involved in what is known as the coalition for development, which was set up as a result of the Canadian Conference on Poverty through the Canadian Council of Churches. We have been the local arm and have endeavoured to set this up here.

What that meant is not so much specific social welfare projects as an attempt to involve churches and their congregations in studying the area, where they are, an area of the city where they are, finding out what their problems are, what resources can the church help bring to bear on those problems.

Senator Carter: You are a pretty influential group, and you are here with this project, the Special Project?

Rev. Checkland: Yes.

Senator Carter: So you are aware of this, and if you were here earlier you notice the concern of these people that this project seemed to have terminated quite abruptly, and they are wondering what is going to happen.

Have you taken any action? Have you thrown your weight behind this project?

Rev. Checkland: We have not been directly involved in this project.

Senator Carter: But you realize it was a good thing?

Rev. Checkland: Yes.

Senator Carter: You know what it has done and you would like to see it continued?

Rev. Checkland: Yes.

Senator Carter: Could you put that on your agenda to do something about it?

Rev. Checkland: Well, it is something to which we would need to be invited. We can't thrust ourselves on a project. That is not our design. It is not something we can do ourselves. That is something we have to be invited to do.

Senator Carter: Well, to my simple mind it would be a very good social action if you could impress upon government or city hall, whoever is mixed up in this, that this is something that just should not evaporate in thin air. It is something worthwhile pursuing until it gets momentum.

Mr. King: At the risk of incurring my boss' wrath, I would be on your side. We have done this thing before.

So far as I myself am concerned I must confess I did not know the Special Project was going to end, and if I had been aware of that I might well have suggested that pressure should be brought to bear.

I don't know how influential we actually are, but we have been to see government ministers before and we probably will be seeing them again, and this would be as worthy a cause as any.

Rev. Checkland: In this case he should have known because he is research director.

Senator Carter: Coming back to the churches, you put a lot of wisdom in this, and when you boil it down, what you have said, it is that we have become governed by materialism.

Rev. Checkland: Broad form of materialism. Not materialism in the general concept but a particular form which expresses itself through investment.

Senator Carter: Well, I think if you analyse it you will find that is just one manifestation of it, but the roots of it are in other forms as well, because you think about return of investment and you go back to somebody's concept of greed.

Rev. Checkland: Right.

Senator Carter: And that is materialism too.

Rev. Checkland: Yes, I would agree entirely with you there.

Senator Carter: You can't separate materialism out into little compartments.

Rev. Checkland: But one of the points we perhaps did not make as clear as we might have: what we were concerned in this brief largely is reflected in the quote, the comment, made by Lord Carlisle where he said of the United States it was so blessed with good fortune that they did not have any poor as a class. As a class. He didn't say they did not have poor people, but the significant fact is in society it didn't have a class of poor.

We have got it and it is increasing, and that is what we meant by saying investment. It is the working of the investment policy. It is not that the people who invest and were directing investment policies and that sort of thing were necessarily ogres in themselves, but the system works this way to create a class of poor, and that requires, we feel, a kind of radical re-thinking.

Senator Carter: Are you saying the fault is in the system and not in the man who operates the system?

Rev. Checkland: No, I am not saying that. I am saying the reason we have a class of poor, the man may be poor by his own single action, or there may be individual poor. But it seems to me that that is not the problem North America society faces today.

Senator Carter: I think it is quite true what you have said, that poverty has become a function of development and more technology, fewer jobs, more people out of work and more poverty. But it does not have to be that way.

The system we have can be operated in a much better way, don't you think? It is the person who operates the system that we have got to look at.

Rev. Checkland: I would have to ask you what you understand "system" to be. We have referred in the brief to the fact of emergence of a new set of power in our society.

Senator McGrand: They are not new.

Rev. Checkland: I am not an expert, as anyone can observe. They escaped the control of national government.

Senator McGrand: They are not new.

Rev. Checkland: Yes, they are new I think in the fact the anti-trust laws of the United States do not apply to conglomerates so far as they can discover yet because the trust laws were designed for a situation where it was a vertical economic organization and not a horizontal one.

What I think we have, and some of the major economists like Galbraith and a few others are saying, is a new series of world power which are not very amenable to political influence.

Senator Carter: If your Social Action is going to come to grips with this situation you have got to transform society. That is what the Church was organized to do, wasn't it? That is really the function of the Church?

Rev. Checkland: Now you are getting into a theological discussion. I don't know whether you want to pursue it.

The Chairman: I advise you that he is very capable. We are all listening.

Rev. Checkland: I would say the life of the church has some change on society, but when the church got to the point where it became a power of society by the patronage of one of the emperors, Constantine, I think I would agree with the great German historian that that was the fault of the church.

Senator Carter: Oh, well...

Rev. Checkland: Now I warned you that we were getting into a theological argument.

Senator Carter: That is just the history you are talking.

Rev. Checkland: But it is also theology.

Senator Quart: Get back to the poor.

Senator Carter: If we are ever going to lick this problem of poverty, we have got to have better attitudes in the public. There has got to be some sort of transformation in society and in the public mind and in public attitude, and that is one of the functions of the church.

Rev. Checkland: Yes, I would agree with that.

Senator Carter: Yes.

Rev. Checkland: But I warned you or what I would draw to your attention, this is by no means a unanimous opinion of approach.

Those of us who think this way in the church have a battle to fight in church. There are many people in the church who think that the church ought not to be concerned with some of the things we have dealt with in this brief. I do not agree with them.

Senator Carter: Can you transform society without transforming the individual that makes up society? Where do you start?

Rev. Checkland: I don't think it is "either/or" question. It is almost like the chicken and the egg. People live in society. They are born by the society. Looking at the problem in the theological way, the reason the church has the doctrine of original sin, it is not that the sin originates with me, but it is there when I originate.

I am born into it. I am born into the world that is like that, so you have to work at it from both ends, the church has very often failed to work at it from both ends.

Senator Carter: I am trying to relate it to your Social Action project.

Rev. Checkland: We try to be—I am not quite sure I am grasping what you are getting at.

The Chairman: He is grasping at your statement that people in the church, people that go to the church, part of the church, are not concerned with the poor.

Rev. Checkland: Well now I think I would correct that slightly. It is not that they are not concerned with the poor as individual persons as those lives happen to impinge upon theirs. It is that many of them withdraw from the consideration of the social implications of the poor existing as a class.

What creates this class? Many of the people in the church withdraw from them. I am not telling any secrets out of school when I say that.

Mr. King: There are some people in the church who believe in a doctrine of individual conversion, and that when a person's soul has been saved by conversion to Christianity, that that is the issue of prime importance, and that their existence here and life is secondary to the salvation of their soul, and that having saved their soul you don't need to worry about their individual—I mean worry particularly about their individual position in society or about the relationship of other people in a similar position.

That the soul is the important thing, and that what the church should concern itself with, and having concerned itself with the soul of the individual, it need not concern itself with the physical position of the individual.

Senator Pearson: Then why worry about investment people? Let them go ahead and drown themselves and save the soul of the other people.

Mr. King: What I was expressing was the opinion of some people and some churches, but I would not say it was my own.

Rev. Checkland: In fact I would describe that attitude as an opinion.

Senator Quart: You mean the ministers in various churches or just parishioners?

Mr. King: Some ministers and some congregation.

Senator Quart: I would think they would not be majority?

Mr. King: In certain small groups that is the doctrine of the church. That is a generalization of it.

Rev. Checkland: Denominations are being cut across by this very issue right now. There is no denomination in which this is not a very powerful issue either under the surface or coming up to the surface.

The question of what stand the church will take or if it should take any stand on what many people regard as purely social and political problems is a fundamental decision within the church today.

Senator Carter: What is your own personal idea on what the function of the church is, assuming we have one?

Rev. Checkland: The function of the church is to bring—I have to use religious language now; I cannot use any other—is to bring life individually and corporately under the scrutiny of the word of God as given to us through the Bible. Very briefly that is the function of the church.

That does not mean that is not to be taken too narrowly in the sense that all we do is worship God in a particular way. Worship has to be expressed through specific acts of service individually and corporately.

Senator Carter: What you are saying is we should live by the moral law?

Rev. Checkland: We should, yes, but the church rests upon the fact that we do not or we would not have a church if we did.

Senator Quart: I wouldn't be necessary to have a church.

Senator Carter: I can't say that. The first church they ever had was born of the moral law.

Rev. Checkland: This is the difference in Christian perspective, and I have to speak now through this perspective. This is the problem St. Paul had.

What he law could not do, and it was weak through the flesh and he was talking about the law when he said the strength of sin is the law. It is not just a question of moral law. You have led me far astray from what we started out with. It is a matter of recognizing that we do not live by the moral law.

Senator Carter: St. Paul did He didn't at the beginning, but he was converted. He didn't when he was Saul and he later became Paul.

Mr. King: You mean he always attempted to?

Senator Carter: He always tried, but there was a transformation in him. He was a different person. He became a different person.

Rev. Checkland: That is true. That does not mean...

Senator Carter: He committed sin, sure, yes. He didn't become God. Nobody is going to become God, but he was changed.

Rev. Checkland: Yes.

Senator Carter: And he had a different outlook on life and he had a different quality of life. Isn't that what the church is supposed to say to individuals that belong to the church?

Rev. Checkland: Yes, but what that means is an expression of that quality of life in terms of concern and commitment to people outside the church and society.

Senator Carter: It has got to happen inside first. Something has got to happen inside before you can express it outside.

Rev. Checkland: Not necessarily.

Senator Carter: How can you...

Rev. Checkland: Let me give you an illustration. Henry George XX once said I love the people and therefore come to love God. Cardinal Manning put it the other way around, "I love God and therefore came to love the people." But you see there are two poles to this. The kind of problem that James foisted on the church when he said, "You say you have faith without works? Show me your faith without works. I will show you my faith by my works."

Senator Carter: These two poles you are talking about, aren't they both sides of the same coin?

Rev. Checkland: Yes, they are. That is one way of putting it.

Senator Carter: You can't separate them. They are inseparable.

Rev. Checkland: Yes. We would agree with that.

The Chairman: Now, have you both agreed that is the end of the argument?

Senator Pearson: I just wanted to say before one of our colleagues said if this lasted

much longer they wouldn't have to go to church on Sunday.

The Chairman: When people who read our record take a look, I wonder if the thought will come to them that we are better at philosophy than poverty.

Thank you very much for your contribution and thank you for coming her. Your answer with respect to the work ethic is very important. You no doubt appreciate our problem. The discussion that took place was enlightening. Your view will be very helpful to us. Thank you.

The committee adjourned.

Special Senate Committee

APPENDIX "A"

BRIEF

To the

SPECIAL SENATE COMMITTEE ON
POVERTY

Submitted by

The City of Edmonton Social Service
Department
6th Floor, C.N. Tower, Edmonton

Presented by

His Worship Mayor Ivor Dent D. K. Wass,
Superintendent, Social Service Department D.
R. Milne, Social Service Planning Director
Social Service Department

Prepared by

D. R. Milne and D. K. Wass

RECOMMENDATIONS

1. That the Senate Committee on Poverty recommend support in principle of integrated, community based social services which provide access to a wide variety of public and private services on a local basis.

2. That the Senate Committee on Poverty stress the importance of flexible, imaginative preventive and remedial services which are developmental and supportive to individuals and families.

3. That the Senate Committee on Poverty commend the provisions of the Canada Assistance Plan that provide federal cost sharing for locally based social services; and that the Committee urge the inclusion of broad preventive programs presently excluded by the requirement of problem definition.

4. That integrated planning centres for social services be established at the level closest to the consumers of services and involving participation of consumers of services.

5. That federal and provincial social service planning provide for constant communication with and involvement of planning centres at the municipal or regional level directly providing service.

I. INTRODUCTION:

1. The main focus of this submission is two fold: first to emphasize the need for reorganization and coordination of social services to citizens, with particular emphasis on effec-

tively serving low income families or the poor; secondly, to outline attempts to provide flexible, innovative family support services that include a high level of client and volunteer citizen participation.

2. The assumption is made that other submissions, particularly those from client groups, will adequately reflect that poverty is a concern in Edmonton, just as it is in other cities. Despite the fact that Edmonton has gone through a period of rapid growth, that has contributed to a high level of employment, there are still many families and individuals who are not in the economic mainstream, and who experience poverty and all its' consequences.

3. Some of the major factors related to the poverty problems in Edmonton are: the influx of Indian and Metis families seeking a better life, but ill prepared educationally and socially for urban life; the high cost of housing which presents particular problems for the poor, and takes too great a proportion of their income; the seasonal nature of some areas of work, leaving many workers unemployed during winter months; the lower level of education and training of many citizens, that limits their ability to find employment in an increasingly technical job market.

4. The answer to these problems obviously require sound policies derived from economic, educational, and social planning. However, neither time or ability permit commentary on such a wide scope, so the decision was made

to focus on the issues outlined in the first paragraph.

II. HUMAN RESOURCE DEVELOPMENT PLANNING IN EDMONTON

5. In 1967 a small task force was established by the Mayor to study human resource development in Edmonton. This led to the publication of a report "Developing Edmonton's Human Resources" which is appended to this submission. The report emphasizes the need to adopt a more comprehensive approach to the provision of social services in our communities. It decried the array of uncoordinated services from all levels of government and the private sector, that fragmented the family, and frequently failed to meet need, and effectively serve the citizens most in need of services.

6. The report envisaged the establishment of a corporation to deliver a wide range of services at the community level. Hopefully the corporation would receive funds from all sources public and private and provide the following functions: the provision of a wide range of family centered programs; the effective coordination of services; evaluation of programs; examination of gaps in services; the provision of leadership, particularly in poverty areas to develop maximum involvement of residents in self help and decision making.

7. The Board of Directors of the Corporation was to include representatives from the City, the Provincial and Federal Governments, the School Boards, and the private social welfare sector. An inter-disciplinary professional team would be established to provide service in sectors of the City.

8. The report was accepted by City Council with recommendation that follow-up detailed planning be undertaken. An inter-governmental advisory committee of elected representatives under the chairmanship of the Mayor was established. Also a task force was appointed under the chairmanship of the Chief Commissioner with representatives from all levels of government, the school boards, and the private sector. These groups have been meeting in an effort to obtain a high degree of involvement and to move the concept forward.

9. The Advisory Committee commissioned a four month study which is presently being undertaken by "Leisure Consultants" a human resource consultant firm to outline details related to a possible pilot project in a specific area of the City. An area of the City containing approximately 40,000 people has

been selected and the final report for the consultants is expected in September. The anticipation is that this report will lead to a three year trial of a flexible, comprehensive, coordinated, service centre integrating many services presently provided by a wide range of public and private services.

10. The hope is that this pilot project will prove effective in meeting the social service needs of our citizens and provide a model for implementation on a city wide basis. Our experience may well be of interest to other cities in the country. The support of the Special Senate Committee on poverty for this concept is solicited.

III. DEVELOPMENTS WITHIN THE SOCIAL SERVICE DEPARTMENT.

11. The agreement made by the City of Edmonton to participate in the Preventive Social Service program with the Government of Alberta under the provisions of the imaginative Preventive Social Service Act in 1966 has created an important new dimension in service. Under this Act the province will share up to 80 per cent of costs of services accepted by the Minister of Social Development as preventive in nature.

12. The key elements in this preventive program are local determination (municipality based) and universality (preventive programmes are not focussed on casualty, rehabilitative services on specific population groups.)

13. The municipality is empowered to operate or to purchase services.

14. General guidance is afforded programme development through the Social Service Advisory Committee, established by city bylaw. Committee representation includes representatives of the United Community Fund, Social Planning Council and City Council, specialists in the fields of health, education and recreation and citizens at large.

15. Preventive service development has led to the establishment of a planning unit in the Social Service Department, a new dimension in the municipal planning field. This, in turn has led to effective relationships with physical planning personnel in the municipal service, particularly in respect to urban renewal and public housing developments. Municipalities have had planning departments for many years but until recently scant attention was devoted to the social implications of their work. Co-operative relationships have been established with other public and private service delivery planning groups (city, provincial

and federal government departments, Social Planning Council and United Community Fund.) The planning unit has developed several reports detailing service arrangements in the community (services to the elderly, housing needs of low income families, services to persons with drug problems, self-help groups). The department has co-operated with the Canadian Welfare Council in conducting studies on the housing needs of public assistance recipients and the employability study of persons in receipt of assistance.

16. Preventive funding has enabled the establishment of much needed services and the augmentation of others. The following summarizes developments:

(A) *Day Care*: Day care, an important preventive service enabling mothers in sole support low income situations to obtain high quality care for their children while they work, convalesce or secure vital release from stressful situations, has been a principal focus. Substantial support was extended to the existing non-profit day care agency. Two additional non-profit centres are now being supported with a third due to commence in October 1970. Two of these utilize existing community facilities (churches) modified for the purpose. The first publicly operated day care centre was opened in 1969, the Glengarry Day Care Centre, which serves as a centre for public education, research and staff development for all day care centres. The number of non-profit day care centre pre-school placements now numbers 228.

17. Under the Director of Day Care educational opportunities for day care staff involving a two year certificate program have been established in co-operation with the Extension Department of the University of Alberta. The effect of this has been to improve operational standards in all day care centres (public, non-profit and commercially operated), and to provide upgrading for staff members.

18. Day Care is an important service to persons in poverty in that (a) it permits sole-support mothers to re-enter the work stream improving their economic status and producing important psychological benefits, (b) it permits essential employment of mothers who must work to supplement family income (c) it provides significant benefits for the children exposed to trained child care staff in well-equipped centres who assist children to develop adequate relationships with others, to

understand and cope with the community at large, to develop creative and manipulative skills and to become accustomed to schedules, routines and group functioning, significant in relations to preparation for school.

19. A family day care placement program has been developed to provide care for children under three years of age. In May 1970 forty five children were cared for in 29 homes, each of which was assessed prior to placement.

20. The demand for day care services continues to exceed available facilities. Consequently all non-profit and public centres have given priority to families most in need, determined by a social assessment. Fees are scaled according to income. Maximum costs subsidized are \$4.25 per day with substantial numbers of families paying token contributions.

21. Several centres offer care programmes for school age children on a part-day basis.

(B) *Family Support Services*.

22. (i) The Family Life Education Council of Edmonton is a private agency offering program to groups of citizens, institutions and services on any aspect of family life. The program is almost entirely supported by preventive funds. The Council has made special efforts to reach families in low income situations, single parent families and special problem situations (illustrative is the series of sessions on family life conducted at the Fort Saskatchewan Goal). Emphasis is on group programmes specifically related to the needs and interests of persons involved.

23. (ii) *Emergency Homemaker Service*: substantial support has been extended to the Family Service Association to permit expansion of emergency homemaker service. Qualified homemakers are available on a nine hour and twenty four hour basis to assist families through periods of crisis due to absence of the mother arising from illness, desertion, or death. The service is made available on a fee scale geared to income, generally on a short-term basis until adequate alternative arrangements can be made by the family.

24. (iii) *Family Aide Service*: Department operated, this service provides experienced, practical family aides who will enter a home and work with the homemaker to upgrade family and household operations including budgeting, money planning, purchasing, child care, home management and the like.

25. The heavy involvement of family aides with one parent families led to the establishment of a number of group programs for

mothers on their own with children, conducted mainly in church facilities in various areas of the city. Through these groups, socially isolated and alienated persons have been enabled to build friendships, social contacts and have shared methods of coping with their special needs. In recent weeks the employment of a member of one of the first groups formed as a part-time family aide has taken place. This was a long-term objective for this program.

26. Family aides work on a team basis with a referring social worker on a team basis. The service is available to community agencies without charge.

27. The experience of the department indicates that this is a most useful service in improving the ability of low income families to organize their resources and manage their financial affairs and household operations effectively. The team-work approach involving the social worker and family aide in a mutually supplemental role has produced worthwhile results.

(C) Other Community Services:

28. (i) Welfare Information Service: A community information and referral service operated 24 hours daily, under the Social Planning Council and funded jointly with the United Community Fund.

29. (ii) Volunteer Placement: Preventive Social Service funds supplement the funding of this central volunteer recruitment, training and placement services providing volunteers to a wide variety of community agencies including welfare, recreation and health services.

30. (iii) Community Psychiatric Service: Preventive services funds a significant proportion of the costs of this diagnostic and assessment service operated by the Edmonton Board of Health and including psychiatrists and psychologist clinical staff. The consultative service is available to accredited community counselling personnel including schools, welfare agencies, family agencies, medical and health personnel, clergymen and youth workers. A complete range of testing is available to clientele on referral, including aptitude and vocational testing.

31. (iv) Readiness Centre: A neighbourhood based community project operated in the north central area adjacent to the city centre by the Junior League, National Council of

Jewish Women and University of Alberta utilizing preventive social service funding support. A school readiness program for twenty five four year olds and twenty five five year olds operates five days weekly on a half-day basis. Selection of children was based on need, assessed by home visits to all homes with children of the appropriate age in the area.

32. Readiness centre is a neighbourhood house providing program activities to adults and children of the area. Parent education and creative recreational activities are sponsored. The house is run by a board strongly representative of residents of the area, a transitional area housing persons of a wide variety of ethnic origins, many low income families and recipients of welfare.

33. (v) Means-on-Wheels: operated by the V.O.N. with preventive funding support, the service provides a hot meal delivered daily Monday through Friday to homebound persons either unable to prepare meals for themselves or without adequate meal preparation assistance or facilities.

34. (vi) Community Counselling Service: The long term planning for the department calls for decentralization of services into seven area offices. Two such area centres now existing: Jasper Place and Glengarry Community Service Centre.

35. The Jasper Place office is located adjoining the area health clinic operated by the Board of Health.

36. The Glengarry Community Services Centre consists of the area recreation centre for the City Parks and Recreation Department, The Glengarry Day Care Centre (city owned and operated) and a departmental staff unit.

37. Intent of the decentralization is to render more effective preventive and statutory services by making services readily accessible to citizens, developing relationships with community resources including professional personnel, institutions (schools, churches, community leagues), and services (health clinics, recreation programs), and developing citizen involvements in service delivery.

38. The Glengarry Centre was designed to respond flexibly to the needs of the community. It has developed a variety approach that shows promise. The centre has been operative

for only a year. Consequently significant evaluation is not yet available.

Program Services Include:

(a) Family life Education—conducted with the resources of the Family Life Education Council and Home Economics Branch, Department of Agriculture.

(b) Employment Placement: a staff member and two volunteers actively seek jobs for persons with whom the centre is in contact. Heavy emphasis is placed on securing jobs related to skills and interests of clients and on follow-ups with employers.

(c) Youth Services: (1) Phyltorz—a recreational/service youth group comprised of young people who have had contact with probation services. (2) Couth Youth—Teenagers, some of whom have been involved with drugs. (3) Informal Drop-In Counselling with teenagers after school at the centre. (4) The cooperation of the Alberta Service Corps has been enlisted in providing volunteers to work with youth groups and alienated youth in the area. (5) Teen Drop In Centre on a large scale basis in a High School in the area. (6) Probation Service: Juvenile probation services are provided from the centre.

(d) Public Assistance: Short term assistance for employable unemployed is made available through the centre. Two churches are used as outreach centres for this purpose and applicants may be seen there at scheduled times.

Group programmes for recipients have been held involving social work, family aide and home economics resources. A family aide (teaching homemaker) is assigned to the centre and does individual home visits as required and assists with group programming.

(e) Volunteer Services: Extensive use of community and university student volunteers in group programmes and on a case basis, particularly with probation cases. Use of volunteers who are themselves on adult probation as counsellors for juveniles has shown some promise as an effective means of communicating with selected young people.

(f) Community Resource Usage: Substantial effort has been made to work closely with area resources—school principals

and counsellors, public health nurses, recreation staff and clergy. Group programmes for mothers raising families on their own have been developed using church facilities and church volunteers. (g) Day Care Services: Family Day Care placements, regular preschool day care and before and after school supervision are available through the day care section.

(h) Special Services: Drug seminars have been held under centre auspices. Substantial use is made of portable videotaping equipment in selected situations.

(i) Preventive Counselling: Short term family and individual counselling is available at the centre, with longer term cases being referred where possible to appropriate agencies. Stress has been placed on the usage of all types of community resources including agency services available in the community at large and community groups in the area.

39. The Glengarry programme is a tentative prototype of the approach it is hoped can be developed in other decentralized units.

SOCIAL ASSISTANCE:

40. The provision of financial assistance and rehabilitative services is the subject of another brief that is being submitted by staff members of this Department. Otherwise we would have been remiss in not emphasizing the central role of an adequate financial assistance program to the whole question of social services. Unless peoples basic needs are met, and met in a manner that permits preservation of dignity and self worth, other social services may be of little avail.

41. The municipal role in financial assistance programs has been reducing with greater responsibility accepted by the senior levels of governments. This seems to be a commendable trend and in line with the eventual evolution of some form of guaranteed annual income. However the municipality should retain the authority and flexibility to supplement basic income figures in order to provide incentives for rehabilitation and upgrading. To that extent we would disagree with the advocates of a total separation of the administration of financial assistance from supportive social services.

CONCLUSION:

42. We would like to express to the members of the Senate Commission on Poverty our appreciation for this opportunity to present some views and recommendations. We

will follow your deliberation with interest and anticipate a report and influence that will be widespread and greatly assist disadvantaged Canadians.

APPENDIX "B"

Gentlemen:

The Monica Society of Edmonton, a group of approximately 350 widows, separated and divorced women, welcome this opportunity to put before your Committee their views on the important subject of poverty in Canada today.

This is a matter that vitally affects our members' welfare. We as a group would like to rise up against an economic and social system that makes poverty a by-product of growth.

In the societies of plenty, poverty is not measured merely by the revenues at one's disposal and the standard of living one enjoys... Is not the poor man, or in our case, the woman, who does not count, who is never listened to, who is put here or there without being asked her opinion, and who sinks into an isolation so painful that she may resort to irreparable deeds of despair?

THIS IS POVERTY—Social-psychological-cultural resulting in irreparable needs of despair causing economic poverty.

POVERTY as it exists in the lives of the Monicas can be described in the following manner:

(1) LONELINESS

Being unable to **SHARE**—(a) **LOVE**—(b) **RESPONSIBILITY**—(c) **EXPERIENCES**. The absence of **LOVE** is very difficult to bear. It results in a self-rejection, a withdrawal from society—depression and despair. It is difficult not to be able to share responsibility, be it financial, child care, the home, the garden. It is sad not to be able to share experiences, pleasant or unpleasant. The thrill and pride of a child's accomplishments loses half its effect if experienced alone. A thunder storm is much more difficult to experience all alone... a little thing, but meaningful.

When a mother withdraws from society and spends her days and nights alone with her children, she is deprived of adult conversation, opinions and experiences. Her personality is liable to become warped and stunted, lacking growth.

(2) REJECTION BY SOCIETY

We are all very sensitive to rejection, because a good many of us have already experienced one major rejection in our lives. In social functions with mixed couples we feel like a "fifth wheel". Landlords reject us as unsuitable tenants. We are insecure credit

risks and we don't have any stability. Social Assistance recipients are subject to discrimination when purchasing school supplies by being required to line up in Department Stores in a special lineup marked "Welfare". Some Oil Companies and Department Stores have a policy not even to investigate the credit rating of separated women. Discrimination without investigation! Children are rejected by parents of other children as being from a "Broken Home".

(3) VOID IN THE HOME

The void that exists in the home by the absence of the husband and father is very difficult to tolerate. The children do not have the father "image" and companionship. These children are the adults of tomorrow—the husbands and fathers, wives and mothers of the next generation of Canadians... Do they know the proper roll of the male adult? Do the boys know what is expected of a husband and father? Do the girls know what to look for in a husband? They have not been witnesses to a true family atmosphere... so how do they know what is expected of them. Mother may be the most wonderful mother in the world—but she can never be both a mother and a father.

(4) INADEQUATE SYSTEM OF LEGAL AID

An insecurity exists due to the complex system of administration of family law which relates to the basic social unit comprising husband, wife and children. At the present time, problems relating to one specific family may be dealt with at the same time or at different times by several different courts. We become confused and are unable to have all our family law problems dealt with at one time or by one court in a reasonable and comprehensive fashion. Decisions are made by different courts without consideration of actions being taken by other courts resulting in conflicting decisions with no results being effective.

RECOMMENDATIONS that suggest solutions for the poverty problems as previously outlined are submitted for your consideration:

(1) LONELINESS—Recommendations...

The personal growth of the individual is of prime importance. *Professional counselling* must be more freely available, and encouraged. *Personal Development Programs* must be at their disposal, and *educational and recreational opportunities* must be provided

and encouraged. The opportunity to attend these functions must be available, such as additional money for baby-sitters or more adequate and reasonable *Day Care Centres* which are also urgently needed for the working mother who is attempting to be self-sufficient.

Presently, a mother on Social Assistance is permitted to earn not more than \$25.00 per month, or the additional money is deducted from her allowance. We agree that a limit must be stipulated, but for a mother with six or seven children, \$25.00 additional does not go very far. Her desire for achievement is thwarted, her contact with people is limited, her ability to keep contact with the business world is eliminated, thus making it much more difficult for her to return to business when her responsibilities no longer require her to remain at home, and she could be self-supporting. **THIS ADDITIONAL EARNING STIPULATION** must be changed. We **MUST** help and encourage the individual out of the depths of despair.

(2) REJECTION BY SOCIETY—Recommendations...

Society must be made aware of the individual and a sincere *Christian acceptance* must be extended by the community, the agencies, and the governing bodies. *Discrimination* must be eliminated! Oil Companies, Department Stores, in fact all businesses should be forced to investigate under normal circumstances, rather than a policy of discrimination without investigation. Landlords also reject without investigation, and an impossible situation exists for the Mother who is head of the family when applying for rental privileges.

Property taxes—During the difficult years of raising a young family, recovering from the shock that the world has fallen apart, struggling to make ends meet on a woman's salary, couldn't her taxes be re-assessed—must she also contribute through her taxes, to welfare—when she herself is trying so hard **NOT** to become a recipient.

Income Tax—The recipients of separation allowances or alimony, must pay income tax on the monies received, while the payee is allowed to deduct the amount from his taxable income. In many cases the party raising the family is having a difficult struggle making ends meet and paying tax on this income could be the straw that breaks the camel's back.

Income Tax—Some consideration should be given to families who are trying to get back on their feet after years of struggling. Is there any possibility that the years when the personal exemptions far outweighed the net income, could now offset the years when the net income outweighs the personal exemptions. The children having grown, may no longer be exemptions, yet still remain at home... in a home that is now very probably in need of repairs and renovating. This money could be used for these tasks. We want to be self-supporting... help us to help ourselves!

Society must be more aware of the needs of the children. They should not be rejected because they are from a broken home. They should be encouraged in their neighborhood to come into the homes—to participate in family outings, in order that they may witness a **NORMAL family atmosphere.**

Please—help the Mothers who are heads of families to obtain a **DIGNITY ABOVE REPROACH.**

(3) VOID IN THE HOME—Recommendations...

Mother must acquire a fulfillment and satisfaction within herself so that she can extend *unconditional love* to her children, and be able to receive love in return. She must be able to create a good *healthy image of manhood* and a *respect for the absent father.*

The Monica Society strongly endorses a program presently in operation in Edmonton called the "*Uncles at Large*" program. This is similar to "*Big Brother*" program in operation in other cities. The "*Uncles at Large*" is a project sponsored by The Canadian Progress Club in cooperation with Family Service Association of Edmonton. *Uncles at Large* is based on the needs of the boy from a single parent family... the need for a relationship with a mature man... the need for recognition and reassurance... the need for relationship with someone who knows and understands what it means to be a boy. They attempt to provide companionship recognizing the gap left for a boy through the absence of his father. Needless to say, we... the mothers of fatherless boys... cannot express adequately the value of such a program. *Uncles at Large* is sponsored by The Canadian Progress Club and financially supported by them. Family Service Association, a private, voluntary and non-sectarian family service agency, is

responsible for the screening, training and assignment of Uncles, and provides the counselling service required to make this program effective.

Needless to say, this program is limited due to the financial assistance required. Thousands of boys in our city could take advantage of this program, if it were available. Family Service Association and the Canadian Progress Club are doing a commendable job, but they are also aware of their restrictions.

The possibility of providing this service to our girls is presently beyond comprehension, but we, the mothers, can see a great value in the provision of this service sometime in the future.

(4) INADEQUATE SYSTEM OF LEGAL AID—Recommendations...

The Monica Society feels that an insecurity exists due to the inadequate system of administration of family law. Further investigation discloses that those experienced in the field of needy litigant rules and study of legal aid in civil matters recognize that in the majority of cases where legal aid is required the basis of the problem is a dispute between husband and wife and often involves children. They claim that institutional and procedural reforms are urgently required to improve judicial administration in the field of family law which will be significant in achieving an adequate system of legal aid. An article carried in the Canadian Bar Journal, October 1967, titled "Family Courts, A Plan for Alberta" by Stuart S. Purvis, Q.C. outlines and defines the required changes. This plan has been referred to the Institute of Law Research and Reform, Province of Alberta, where it is now being considered. The Monica Society endorses this plan, not only for Alberta, but for all Provinces in Canada.

Briefly, the recommendations for consideration for a new plan of family court are as follows:

1. It is recommended that a *Family Court* be established as a division of the Supreme Court of Alberta to have, hold and exercise jurisdiction in relation to all aspects of family law. A specialized judge or judges should be appointed to preside in the family court division. The judges will require to be appointed by the Governor General pursuant to the provisions of Section 96 of the British North America Act. However, while the appointment of the Judges is a federal matter, the

establishment of the court as an institution is clearly within the Provincial jurisdiction.

2. The solution of disputes involving matters of family law cannot be achieved fully by the application of legal sanctions under the adversary system. The legal process must be augmented by assistance from other professions in the fields of behavioural science and medicine. For this reason, it is recommended that a *Department of Court Services* be created to operate within and under the control of the new family court division, to assist the court in the administration of justice in the field of family law. Consideration should be given to inclusion of the following services:

- (a) Investigating services;
- (b) Probation staff;
- (c) Referees;
- (d) Counselling services;
- (e) Detention and shelter care facilities;
- (f) Clinical services.

3. It is recommended that a *committee or advisory board* be established including in its membership lawyers, representatives from the field of social work and other influential citizens to assist, advise and co-ordinate the new court division and to assist in every way possible in obtaining acceptance of the principles involves, by the legal profession, judiciary and the public.

These three recommendations only briefly outline the program as presented, but it clearly defines an improved system in the administration of family law. Family law relates to the basic social unit comprising husband, wife and children. It thus includes law relating to the following topics:

CONTRACTS OF MARRIAGE:—Formation of the contract of marriage—dissolution—Annulment—Judicial Separation—Maintenance—The effects of the contract of marriage on the civil rights of man and wife and its effect in criminal law.

CHILDREN: — Custody — Maintenance — Guardianship—Criminal law (Delinquency, Correction, Penal reform)—Paternity Disputes.

The above are the recommendations for the establishment of a family court division of the Supreme Court of Alberta. If this recom-

mendation is followed, it will have eliminated the overlapping and segmented jurisdiction which now characterizes our judicial treatment of family problems. Their second recommendation, that is to establish a department of court services within the control and under the direction of a family court, goes a step further and recognizes the desirability of co-ordination with people trained in social service and the behavioural sciences.

Thus defined are the problems of poverty as they exist in some of the lives of the Mother endeavouring to bring up her family with the absence of a father in the home. We, the Monicas, wish to rise up against an economic and social system that makes poverty a by-product of growth. We strongly endorse

and recommend a strong Christian awareness and understanding of poverty, acceptance of the individual, and a meaningful attempt to improve conditions as they exist among the people of Canada.

In conclusion, we thank your Committee for hearing and considering our views on this important question. We hope that, if you find that any or all our aspirations toward improving poverty conditions are justified, you will make the appropriate recommendations to Parliament.

Respectfully submitted on behalf of
the Monica Society of Edmonton.

(Mrs.) Marie MacDonald
President

APPENDIX "C"

BRIEF to SPECIAL SENATE COMMITTEE
on POVERTYEDMONTON SOCIAL PLANNING COUNCIL
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Urban centres conflict description
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July 20, 1970

EDMONTON SOCIAL PLANNING COUNCIL
STUDY COMMITTEE ON POVERTY

Mrs. Maureen Wanczura

Miss Dariel Sparling

Mr. Roger Soderstrom

Mr. J. H. Donahue, President

BACKGROUND and PURPOSE:

THE EDMONTON SOCIAL PLANNING
COUNCIL

Planning Councils throughout the country have changed dramatically during recent years. This change has been brought about by the demonstration of citizens' desire to respond actively to the massive social problems facing us today. In addition, the change has been provoked by the emergence of new local planning groups under federal, provincial and municipal government direction. As governments become more active in the planning field, it is evident that there is an increasing need for the incidence of a strong citizen-based planning organization which can also serve as the voice of informed judgment and constructive criticism.

A primary role of the Edmonton Social Planning Council is that of a change agent. As pressing social issues emerge in our community, it becomes ever more apparent that a means must exist whereby citizens can make their wishes known and can gather to resolve problems. The Edmonton Social Planning Council attempts to respond to the community and through constant review to identify those issues that the community should become actively involved with; to generate the community's interest and to provide a platform for discussion and action. This activity necessarily involves fact-finding and research, the compilation and presentation of

briefs, the organization of public meetings, methods to resolve acute problems as well as providing a means of on-going study of emerging concerns.

In recent years the council has become increasingly involved in building relationships with the constituency and in social animation. The steady emergence of indigenous or self-help groups is another aspect of this change in which the council has become more involved. Groups such as these possess the initiative and drive to help themselves and having had personal experience possess understanding for other persons in similar situations. However they are aware of the need for consultation and information about resources and methods. Their success in comparison to more institutionalized and professional agencies, indicates that we can learn a great deal and that these groups may provide some real answers.

Our awareness of the poverty and powerlessness of about one-third of our population has grown with a sense of dread and frustration. The alleviation of poverty, the economically poor, the poor in spirit, the victims of discrimination and exploitation has become a central concern. Poverty is a psychological process depriving individuals and families of material comforts, human dignity and fulfillment.

The Council begins from a position of a firm conviction regarding the dignity and worth of all mankind. Our observations indicate clearly, that most efforts to alleviate poverty are aimed at what is called "rehabilitation"—modifying or changing the behaviour of the individual to make him employable, productive and a consumer of goods. We recognize that such programs are based on false assumptions. Man should not be forced to change. Situations, environment, opportunities, alternatives should be presented to all for a free choice by individuals to build their own lives based on their own visions and desires and using their own personal strengths and resources.

We are confronted by a paradox:—a country of great natural wealth, resources and beauty, a burgeoning technology—apparently the means at our fingertips to dispel inequities and poverty forever and yet its constant existence and increasing visibility plagues us. It appears that an ethical revolution of some sort is required to reduce the expanding disparities that exist. Can governments play a

role here in providing impetus and leadership for such fundamental social change?

The E.S.P.C. is dedicated to finding means to intervene in this situation where the complexities are compounding in the urban scene in particular. We are honestly attempting to work with the poor and the powerless, to listen carefully to the ideas they present and to encourage established institutions and organizations to do the same and provide opportunities for meaningful dialogue.

MODEL OF A CLOSED SYSTEM (Skid-Row)

One current part of our studies is presented here as a model of the closed systems that individuals and organizations both get locked into. This model illustrates clearly the futility of developing new programs without sufficient understanding of the parameters of the system. These programs, planned and designed on well documented needs, often make the situation less agonizing and less evident but actually serve to re-inforce and maintain the interdependency of the system.

The model we present is called "The Skid Row Concentration Camp". You will observe that once a man is caught up in this cycle it is virtually impossible to break away from it despite the many services and programs within the cycle that are designed to "rehabilitate" skid row dwellers and transient men. Similarly the service agencies are caught in the same circular network and seem almost as helpless as the men to extricate themselves. Consideration of this model leads us to recognize that freedom of choice and alternatives for men are missing. To add new services to such a system or to re-style the central core would only serve to cover up the real issues and delay any improvement other than a superficial one.

It seems essential that close attention be given to the culture of the groups of men who are in this situation in order to determine their strengths, their personalities and to provide alternative and viable opportunities that will allow these men to develop in their own fashion, not one superimposed and based on external and foreign values. We believe that closed systems such as this exist for many other disadvantaged groups as shown in the second drawing.

SOME EXAMPLES OF ALTERNATIVE MODELS:

We have asked three groups to describe to you the goals and methods of their organiza-

tions and the support they have secured financial and otherwise.

These groups will speak for themselves and have prepared the brief outlines that follow:

1. F.U.T.U.R.E. Society
2. Growing up Together
3. The Sturgeon Valley Housing Co-operative.

F.U.T.U.R.E. Society

The *F.U.T.U.R.E. Society*; not an agency but a social action group of convicts, exconvicts and interested citizens wanting to help each other to help themselves in leading a responsible, productive and purposeful life.

An excon, when he leaves an institution is at the bottom of the ladder and because he was there when arrested his chances are 20 out of a 100 of making the first step.

This usually raises the question, why is the recidivism rate in Canada 80 per cent? The flooring are some of the reasons:

(a) Lack of cold cash

The Average man leaving an institution has about \$10 to his name.

(b) The real or the maginary rejection of the excon in the community

A better understanding of the excon and the community and the community and the excon must come about.

(c) Good-will Institutions

Hostels, Food centres, Clothing centres, for the poor degrade a man and provide an environment which quite easily can lead the excon to prison.

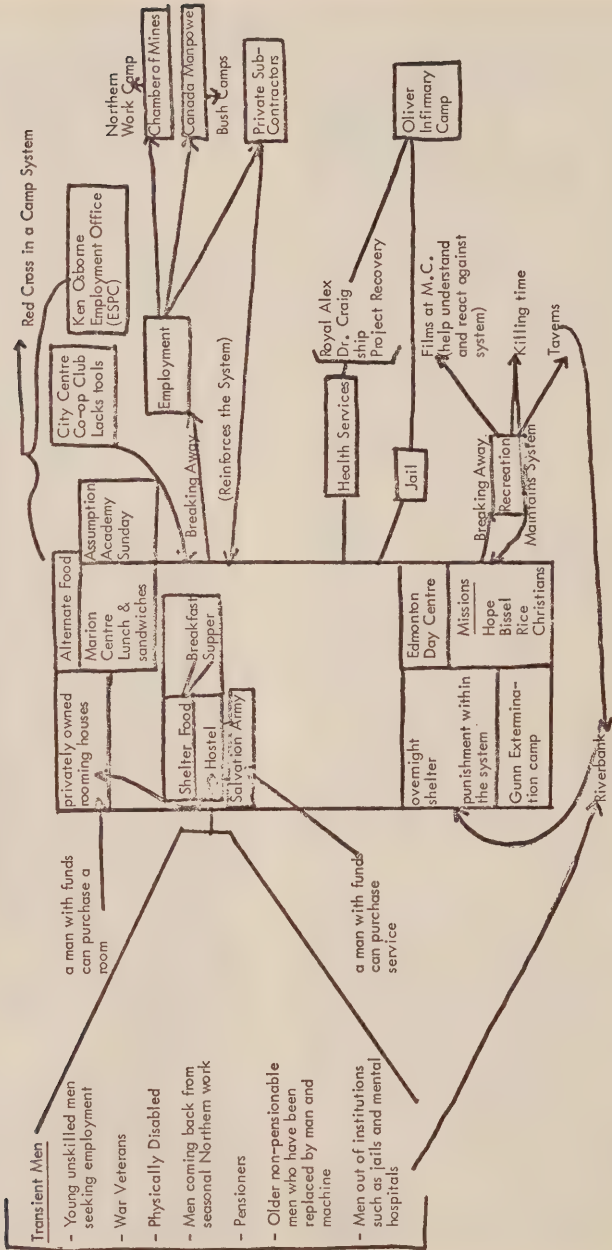
(d) Opportunity for retraining apprenticeship and further education

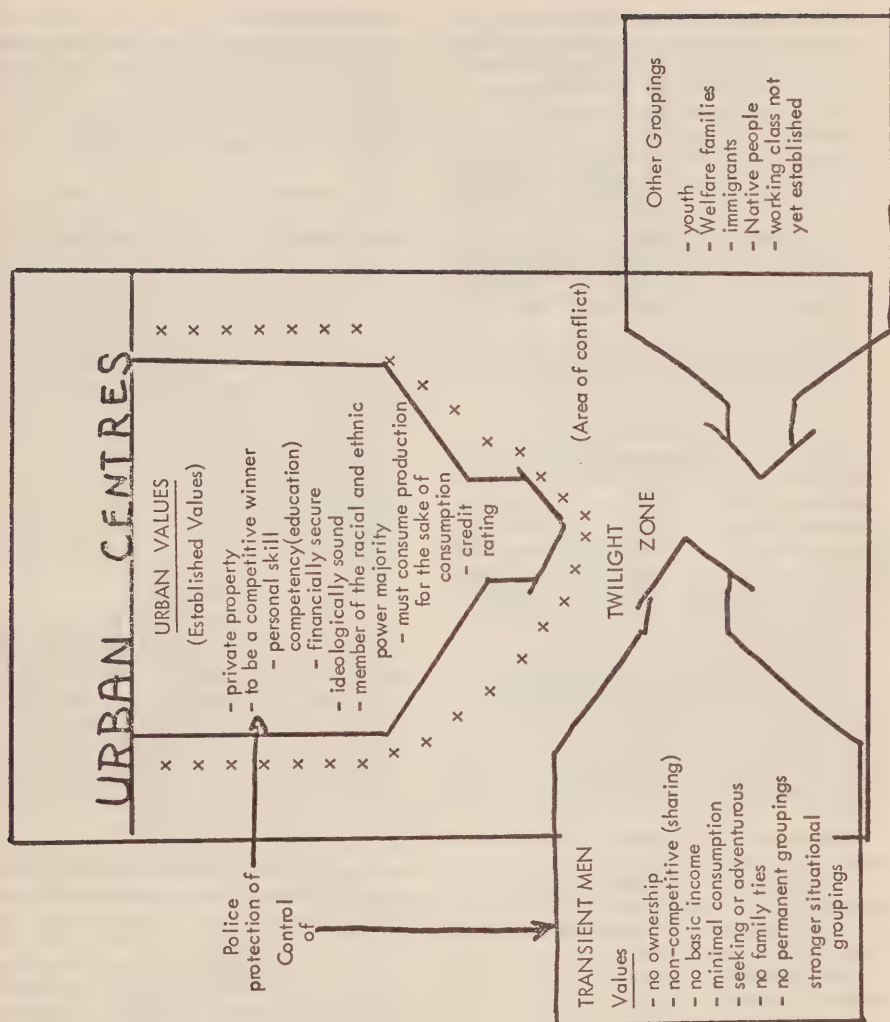
Any man leaving an institution should automatically be given the opportunity to further his rehabilitation either by apprenticeship, schooling or any other training available. This applies only if institutions in Canada are designed to rehabilitate the excriminal, mentally ill, handicapped or any person in need of rehabilitation.

(e) Employment

Canada manpower has become computerized; therefore special free services for finding employment for excons, transient men skid row people, alcoholics, and any one in need of rehabilitation or going through a rehabilitative program: are being provided by indigenous workers

THE SKID ROW CONCENTRATION CAMP SYSTEM





and groups and Social Development. Also private employment agencies are exploiting handicapped people by charging a fee taken out of the man's wages.

(f) Agencies and Departments of Governments

Because agencies and Departments of Governments are competing for money and have to account for every penny there is little room for new ideas and experiments. Support is usually cut off when self help groups reach a point where services are actually duplicated, even if the service might be better. Because there are strict rules and regulations and guide lines to follow, most social workers are first dedicated to the establishment and second the client.

F.U.T.U.R.E.

AN IDEA—A PURPOSE—HOW IT WORKS
THE IDEA:

To form an organization of ex-inmates and interested citizens wanting to help each other to help themselves in leading a responsible, productive and purposive life; to establish a society dedicated to advance the status and well being of ex-inmates of penal institutions.

THE PURPOSE:

1. To originate and promote improvements in the general welfare of the members and to make available to members opportunities to participate in a variety of activities: card clubs, curling, bowling and other physical and social functions as well as discussion groups, public speaking and any other group activities.

2. To provide opportunities for members to enter educational facilities.

3. To establish, create, administer and maintain a fund for the purpose of aiding or assisting ex-inmates to rehabilitate themselves in the community.

4. To establish, construct and maintain suitable premises for the Society.

HOW IT WORKS:

One of the major problems the ex-inmate has in his or her re-entry to society is the problem of finding or being able to make new acquaintances and friends. It seems that in a great number of cases, when the inmate is released he does not want to go to any unfamiliar places where he might find new friends, for the fear of being left alone. He feels that he doesn't know how to become

involved and active, he has a feeling that these people are different and he doesn't belong. The F.U.T.U.R.E. Society will greatly relieve this idea of rejection by providing:

1. An environment of persons with a common objective, which of course is a sincere desire to become respected citizens of society.

2. A relationship of acceptance, which will allow the inmate to meet new and purposeful people while he is in the company of old friends.

3. By creating an association of respected and successful ex-inmates, hence proving to the new member that ideas of ex-inmates not being accepted or having the same opportunities as other people is fallacy and that people are accepted and respected not for what they have done but by what they are and what they are doing now.

FELLOWSHIP
UNDERSTANDING
TENACIOUS
UPRIGHT
RESPONSIBLE
EDISTANCE

GROWING UP TOGETHER

This special programme for small children began in the fall with a group who came together through the Boyle Street Project Office. They thought that it would be a good idea to start a programme for children of parents who could not afford other facilities for their children. The group decided that the mothers in the group should have the control of the programme, and would also be able to work in the school on a voluntary basis.

The mothers group also wanted to set up a programme for themselves which could take place at the same time as the children's programme. Sacred heart Parish Hall was secured for the programme. It took about six months for a number of groups who were boycotting the programme. The programme for children began shortly before Christmas. The group however had received no funds when it started the programme.

The programme: 2 hours from 1:30—3:30 daily. The children were picked up at their homes by volunteer drivers. Once in the play-school the children had various activities, free play time, experience with art materials, music, toys and other equipment such as films and tape recorders. The children also went on field trips to places such as library, museum,

university farm, the childrens' zoo. There were two resource people who were in attendance daily along with the mothers who came in to the school. The total staff situation was volunteer. The playschool ran until the second week in June. The only financing that the group received were two donations from church groups amounting in total to \$50.00, and the payment of the utilities for a period of three months.

Who was approached for funds during this time: The two school boards, the public and the separate, the parks and recreation department. The school boards were certainly interested in the programme but their answer was the same—we are spending public monies and therefore must be responsible for how these are used—no money without strings (CONTROL). The parks and recreation department refused funds to the group because they had their own programme and could not see the point of giving a grant to a community group to run its own programme. The mothers group did not want a park and recreation programme for their children (there has been a history of conflict between the mothers in the Boyle Street area and the PSC dept.)

PHASE TWO

THE GOLDEN OPPORTUNITY

In June the mothers decided that they would organize the programme in a better fashion and become incorporated as a society. New more permanent facilities were required and more people who could be in the school in the full time basis could devote their full time to the childrens' programme. The mothers would take part in working in the school as well as having their own programme. Each mother was to work in the school for two months on a paid basis. The mothers also said that there was a definite need for them to have their own bus for transportation rather than rely on volunteers.

At about this time the Province put out a Request for Proposal for someone to run a pre-school programme in the area in which the group was running its programme. The group decided to put in a proposal to the government. This proposal emphasized the fact that a pre-school programme was much too limiting and went on to explain what type of a programme would be desirable. Once again the proposal was rejected—it is interesting to note the money was given to the schools. At present the school is not operating, and the group is planning to re-open in

the fall—hopefully by then they will have received some financial assistance, so that the programme can have some stability.

The whole idea of the project was set up to provide educational opportunities for both the parents and the children. This is certainly not done in the school system and is one of the reasons that the school has had a hard time getting financing. Another reason is the fact that the mothers want to have the major say in the control and development of the programme for their children and themselves. The programme will no longer but unique if it allows itself to be sucked up into the school system.

THE STURGEON VALLEY HOUSING CO-OPERATIVE: GENESIS

Today, you can buy a pleasant house, but you can't buy a pleasant neighborhood. You can even have a part in designing your house, but you generally can't have a part in designing your neighborhood—that is, its communal facilities, such as schools, parks, recreation centers.

Is it possible for the people who are going to live in a community to help design their neighborhood facilities, and then to certain control over them after the community has been developed? Can they do this, and, at the same time, develop a community where citizens can retain their privacy if they want to?

Recently, a group of people from all walks of life, of all ages, and of various income-levels met together for nine consecutive evenings and attempted to answer these questions. These meetings were carried out with financial assistance from CMHC.

At first, they discussed their dreams—about what they wanted in a house and in a community. There were art students at these meetings who could translate these dreams into visual form—that is, into drawings.

People dreamed of houses with double-sinks in the kitchen; bedrooms with plenty of storage space; & rooms which can be rearranged as new children are born and as older ones leave home; rooms that are cool in summer and warm in winter; doors that are side enough to move furniture through; sound-proof walls; houses that do not look like boxes. In short, houses built primarily to satisfy people's needs.

People dreamed of communities with swimming pools, attractive community halls, health centers, day-care centers, senior-citi-

zens' center, coffee-houses, sports-fields, large parks, safe streets, large landscaped areas, clean air, modern school, centrally located stores, park-land which is easily accessible and not close to busy streets, adequate laundry facilities. In short, communities built primarily to satisfy people's needs.

People dreamed of a community where all sorts of people can live that is, professional people, working people, rich people, poor people, people of various ethnic groups, retired people, pensioners, welfare-recipients, disabled people, young people, large families, etc. In short, people dreamed of the sort of *mixed community* that low-cost government housing, and other types of developments have not been able to provide.

These are the things that people dreamed about. But, in our society, can such dreams come true?

The group found that such dreams can and have come true in North America.

Representatives from the 200-unit Willow Park Housing Co-operative in Winnipeg and from the Calgary Housing Co-operative described ways in which people can make such—dreams—their dreams about houses and communities come true.

A family living in a Co-operative Housing development has special advantages over both ordinary ownership and renting. An ordinary homeowner has no control beyond his own property upon the actions of his neighbors. A renter has no control at all. Co-op families exercise a large measure of control of their community by adopting reasonable rules designed to keep their neighbourhood a pleasant, safe and decent place to live.

Co-operative housing provides *top quality* accommodation and a family pays only what it actually costs to own and operate its dwellings. There is no profit to a landlord. Yet, members have the same freedom from maintenance chores that renters do. The Co-op handles repairs, insurance, maintenance of grounds and the exterior of the buildings.

At this point, the group investigated the possibility of actually developing a co-operative housing community on a 100-acre site in St. Albert.

The site has the advantage of being located in one of the most scenic areas of the metropolitan area. The site offers a view of the Sturgeon River Valley. The site is zoned resi-

dential comprehensive. There are no odor or air polluting industries in the immediate area.

The present owners of this site, the Oblate Order, have given the group a free-six-month option on the land.

Representatives from CO-OP local co-operatives, credit unions, and the Central Mortgage and Housing Corporation answered basic questions regarding possible ways at financing the development.

Various architects, engineers, interior designers, and landscape architects helped the group to explore design possibilities.

These professional advisers informed the group that the site itself has a great potential for any type of development that the group might wish to start.

A co-operative was formally incorporated. It is called the Sturgeon Valley Housing Co-operative. Shares are currently being sold for \$1 each, and a steering committee was formed in order to publicize the co-op, recruit more members, and work on further development of the general plan of the prospective community.

Co-op membership is open. Anyone who is interested in participating in the development of a co-op housing community is welcome to join. All co-op members, including new members, will be able to have a voice in drawing up initial plans for the community.

In September, there will be a general meeting of all co-op members where a board of directors will be formally elected. Also general policies aimed at specific development of the St. Albert site will be adopted.

CONCLUSIONS:

1. We must allow people self determination to develop themselves thereby guaranteeing our society the full richness of human experience, and the variety of human approaches and responses that make the ideals that we jointly hold of community and neighbourhood worth having.

2. We support the idea of a guaranteed income so that there may be a real equality of opportunity for everybody, and to provide a reasonable degree of satisfaction of life for everybody.

3. Resources must be made available to groups and organizations who are developing

programs based on new models. Means must be established whereby personnel and financial support can be secured without the imposition of rigidity and controlling techniques.

BIOGRAPHIES

Mr. J. H. Donahue

5627-115 Street.

Background: Born and raised in New Brunswick. B. Arch. McGill, 1955. Urban Planning—Univ. of Edinburgh, 1958. Partner-Dupuis, Dunn, Donahue Architects, 1955. Council, Alberta Association of Architects. Practised in New Brunswick, Alberta, B.C. Northwest Territories, Yukon and Peru. Board Edmonton Social Planning Council, 1968. President, Edmonton Social Planning Council, 1970.

Father Marc Barrier, O.M.I.

9916-110 Street,

Background: Working as an outreach worker under the supervision of the Archdiocese of Edmonton. Performing a community development function with persons of native origin living in the City and with skid-row dwellers.

Mrs. G. E. Stacey

12229 Dovercourt Avenue.

Background: Separated, mother, 4 children, boys aged 16, 15, 13 and 7. Has been on Social Allowance for 1½ years. Currently

on an upgrading program to Grade XII. Plan is to go to U. of A. to get a degree in Education specializing in counselling.

Terry J. Hansen

10640-66 Avenue.

Background: Public Relations Director-Future Society. Partial High School, University Extension Courses. Ex-convict, married, 4 children. Concerned with the welfare of ex-cons and anyone up against the system. To help ex-convicts help themselves to become responsible productive citizens and to bring about a better understanding between society in general and the ex-con.

Denise Williams

10223-95 Street.

Background: Grade 11 and Business or Secretarial Course at N.A.I.T. 1967. 2 months college-dress design, Olds, Alberta. Worked in factories, No business experience. Worked at Native Brotherhood Society one week as Secretary. Two children, boys aged 5 and 2.

Dennis Bartels

10608-81 Avenue.

Background: B.A. (philosophy) M.A. (philosophy) U. of A. Grad student in Anthropology Secretary-Treasurer of Interim-Steering Committee, Sturgeon Valley Housing Cooperative.

APPENDIX "D"

BRIEF

to the

SPECIAL SENATE COMMITTEE ON
POVERTY

July 20, 1970

by

UNIFARM

9934-106 Street,
Edmonton 14, Alberta

PREFACE

This Brief was prepared by Unifarm, a general farm organization operating in the Province of Alberta.

More than thirty thousand Alberta farm units hold membership in the organization on a direct paying basis. In addition, the majority of Alberta farm Co-operatives and commodity groups are a part of Unifarm.

The organization makes representation on behalf of its membership to government, industry and other parts of society. In addition it provides a variety of services, such as insurance and accounting services.

Unifarm is administered by a nine member executive body made up of a president, two vice-presidents (one elected by the direct membership, the other by the Co-operative and commodity section), and six members of the 33 member provincial Board of Directors.

The brief was prepared by Elmer Allen, holder of a Master's degree in Agricultural Economics.

This presentation is being made by Unifarm President, Paul Babey, assisted by Mr. Allen.

DESCRIPTION OF POVERTY

Relative Concept of Poverty

Very few farmers would admit they are living in poverty. Rather they might say they are living on a low income.

One cannot arbitrarily say that if expenses for basic family needs are met there is no poverty. Poverty is living in a social environment which is relatively inferior to the majority of our society. Convincing the poor

that they are living like the kings of the 19th century would not make them feel any better off. However, if every rural family had the same standard of living they would not feel poor, relative to each other.

There are two basic concepts of poverty. The obvious one is based on a measure of income; the second is that of fulfilling social needs of the individual. To properly assess the economic and social requirements one would have to observe family income, satisfaction of rural life, health, education and services available to various sectors of our economy.

Family income is one of the most important measures of poverty. We shall concentrate on this one measure because it can easily be described in quantitative terms. The other measures are more qualitative, and are therefore more difficult to describe in absolute terms.

Type of Poverty in Alberta

Rural poverty in Alberta is historical, seasonal and occasional, especially during widespread crop failures and depressed market prices. We have rural areas where net farm income has always been considerably lower than in other regions of the province. We have part-time farmers who are seasonally unemployed. Southern Alberta has been hit by drought in cycles while northern parts of the province have suffered crop failures due to excessive moisture in the fall, or too little moisture during the growing season.

When agricultural markets become depressed (especially grain markets) a group of farmers fall into the poverty level.

RURAL POVERTY IN ALBERTA

Economic Measures

Economic measures are used to illustrate the extent of poverty on Alberta farms. There are many economic indicators, including gross farm income, net farm income, family farm income, etc. The first measure, gross sales (commonly used) is very misleading. The obvious reason for its use is that it is reported by the Dominion Bureau of Statistics in the Agricultural Census. This measure is misleading because it does not show any non-farm income. Even "net farm income" reported

annually by DBS is very misleading because of the large contribution by "income in kind".¹

Rather than resort to some economic definition for poverty as has been done by the Economic Council of Canada, in the Fifth Annual Review (married couple \$2,500; married couple with one child \$3,000 etc), which is really equivalent to personal and family exemptions for income tax purposes, we can assume that a *non-taxable farm family is living in poverty*.

On the basis of such a definition, Table 1 indicates that approximately one-half of the 59,185 Alberta farmers filing income tax returns in 1968 were not taxable (likewise in 1967 and 1966). There were 29,261 Alberta farm families whose earnings were below the poverty level. That fully 50 per cent of Alberta farm families were below the poverty level in 1968 indicates the magnitude of the rural poverty problem. By comparison only 17 per cent of non-farm families are living below the poverty line (non-taxable).

Looking at the distribution of income from all sources, about 33,500 or 57 per cent of farm families in Alberta earned less than \$3,000 (Table 1). The middle income group earning \$3,000 to \$5,000 net income contained nearly 11,800 families or 20 per cent of the farmers. The remaining 23 per cent earned over \$5,000 net income in 1968.

Source of Family Income

In many cases the smaller the amounts of gross farm sales, the greater the amount of non-farm income.

Non-commercial farmers (farm sales of less than \$2,500) in Canada earned approximately 53 per cent of family income from non-farm

¹"Farm Net Income", (Cat. No. 21-202, DBS, June 1970) reports Alberta net farm income of nearly \$300,000,000 for 1969. Of this net figure, \$94,821,000 or 32 per cent was "income in kind"—money which the farmer never saw, but was supposed to have saved indirectly, in house rent and by consuming farm grown products. The house rent figure for 1969 was reported to be nearly \$74.2 million, the remainder of \$20.6 million accounting for farm grown products consumed on the farm. Seventy-eight per cent of "income in kind" is for house rent and 32 per cent for farm products. If "income in kind" was removed from net income it would reduce the farmers farm income on the average (assuming 66,000 farms in 1969) from \$4,500 to only \$3,100 a drop of \$1,400. This is not to say that farmers received only \$3,100 in 1969 because nearly \$1,000 was reported to be an increase in farm inventory (grain in store, increase in livestock value etc.). This means the net amount of visible take home pay (before income taxes) is reduced to \$2,160 per farm, a far cry from the original \$4,500. The figure of \$2,160 of course, is meaningless because off-farm income has not been mentioned. If we are going to use it as a comparison to earnings of non-farmers a more accurate measure needs to be used.

TABLE 1

Individual Taxation Statistics of all Alberta
Farm Returns, Taxation Years 1962 & 1968

Income Class	Number	Total Income		Total Income
		Number	Number	
		\$'000		\$'000
		(Taxable Returns)		
		1968	1962	
Under—\$2,000.....	2,610	3,796	1,899	2,849
\$2,000—3,000.....	4,521	11,504	3,997	9,860
3,000—4,000.....	5,195	18,081	4,390	15,072
4,000—5,000.....	4,281	49,134	3,262	14,253
5,000—6,000.....	3,505	19,060	1,925	10,314
6,000—7,000.....	2,133	13,842	1,350	8,615
7,000—8,000.....	1,870	13,968	727	5,339
8,000—9,000.....	1,443	12,241	562	4,734
9,000—10,000.....	1,036	9,793	423	4,021
10,000—15,000.....	2,228	26,772	797	9,469
15,000—20,000.....	700	11,826	210	3,591
20,000—25,000.....	188	4,124	65	1,442
25,000 & Over.....	214	7,602	66	2,129
Total.....	29,924	171,742	19,673	91,689
		(Non-Taxable Returns)		
Under—2,000.....	19,774	6,407	18,308	10,891
2,000—3,000.....	6,615	16,301	7,940	19,049
3,000—Over.....	2,872	13,077	3,317	13,430
Total.....	29,261	35,785	29,637	43,370
		(All Returns)		
Under—1,000.....	12,078	5,300	8,913	2,790
\$1,000—2,000.....	10,306	15,503	11,366	16,530
2,000—3,000.....	11,136	27,905	11,937	28,909
3,000—4,000.....	6,875	23,799	17,094	92,410
4,000—5,000.....	4,881	21,779		
5,000 & Over.....	13,909	123,942		
Total.....	59,185	207,528	49,310	135,059

SOURCE: Unpublished data from the Department of National Revenue, Ottawa.

sources in 1958 (Table 2). Those selling less than \$250 worth of farm produce actually earned 99 per cent of their income from non-farm sources. Their earnings from non-farm sources were (\$2,503) substantially more on the average than of those who had gross sales between \$250 and \$2,500. In fact their total net income was higher than those farmers selling \$250 to \$2,500 of farm produce.

This indicates that gross farm sales are a very poor indicator of family income. Just because a farmer does not report much in gross farm sales, on the average, in no way substantiates the fact that he should leave farming for some other occupation.

TABLE 2
Income of Farmers from Farming and Non-Farming Sources, 1958, Canada

Value of Product Sold	Net Family Income				Farm Income as % of Income from all Sources
	% of Total Farms	Farm Sources	Non-Farm Sources	All Sources	
\$	\$	\$	\$	\$	
Less than 250.....	7.8	27	2,503	2,530	1
250—1,199.....	15.2	518	1,831	2,349	22
1,200—2,499.....	20.6	1,185	1,264	2,449	48
2,500—4,999.....	27.7	2,125	922	3,047	69
5,000—9,999.....	20.4	3,795	899	4,694	81
10,000—14,999.....	5.0	6,005	1,002	7,007	86
15,000—24,999.....	2.7	7,176	1,193	8,369	86
25,000 and over.....	1.1	15,193	1,741	16,934	90
All farms.....	100.0	2,344	1,262	3,606	65

SOURCE: J. M. Fitzpatrick, and C. V. Parker, Distribution of Income in Canadian Agriculture, Canadian Journal of Agri. Econ., Vol. XIII, No. 2, 1965.

More recent data from the Department of National Revenue indicates that non-farm income is still a significant source of farm family income. In 1968, it accounted for 25 percent of total family income in Alberta whereas in 1962—it accounted for only 19 percent (Table 3). The majority of the non-farm income comes from wages and salaries,

TABLE 3
Source of Income, Alberta Farmers, Taxation Years 1962-1968

Item	Taxable Returns \$'000		All Returns \$'000		Source as Percent of Total	
	1962	1968	1962	1968	1962	1968
Number of Returns.....	19,673	29,924	49,310	59,185		
Sources of Income						
Farming or Fishing Income...	76,305	134,223	110,491	155,283	81	75
Wages and Salaries.....	6,157	15,446	11,213	24,540	8	12
Bond and Bank Interest.....	3,443	10,520	4,577	12,126	3	6
Superannuation, Old age Pension and Supplement and CPP or QPP Benefits.....	1,911	3,756	3,277	5,472	2	3
Gross Dividends.....	1,269	2,212	1,469	2,698	1	1
Miscellaneous Income.....	375	1,153	635	1,429	x	x
Mortgage Interest.....	883	1,052	1,170	1,393	x	x
Business Income.....	222	864	380	1,475	x	x
Commissions and Income from Employment.....	297	963	474	1,083	x	x
Rental Income.....	542	668	951	1,059	x	x
Estate Income.....	210	666	343	736	x	x
Annuity Income.....	61	126	66	135	x	x
Professional Income.....	15	86	15	97	x	x
Total Income Assessed.....	91,689	171,742	135,059	207,528	100	100
Total Exemptions and Deductions.....	45,636	74,758	119,449	150,473		
Taxable Income Assessed.....	46,052	97,475	46,052	99,516		
x less than one percent.....						

SOURCE: Unpublished data from Department of National Revenue, Ottawa.

with bond and bank interest being the second largest source of non-farm revenue. Part-time farming in Alberta is becoming a significant source of family income for many Alberta farmers.

Part-Time Farmers

Alberta farmers reported earnings of \$24.5 million in 1968 from part-time work. This is more than twice as much as reported only six years before when off-farm work accounted for \$11.2 million. The trend has been toward more farmers participating in some form of part-time work. Only 19 percent of the farmers worked off the farm in 1951 whereas 33 percent did so in 1966 (Table 4).

TABLE 4
Distribution of Part-time Workers, Alberta, 1951, 1961 and 1966

Days Worked	1951 Number	%	1961 Number	%	1966 Number	%
Less than 73.....	8,002	49	7,888	41	8,655	37
73 to 156.....	4,178	25	3,085	16	5,738	25
157 and Over.....	4,198	26	8,152	43	8,707	38
Total Part-Time.....	16,378	100	19,125	100	23,100	100
Part-time as a Percentage of all Farmers....	84,315	19	73,212	26	69,411	33

SOURCE: Census of Agriculture in Alberta, 1951, 1961 and 1966.

TABLE 5
Part-Time Operators^a, Alberta, 1966

Age	1951 ^b	%	1966	%
Under 45.....	5,174	63	10,782	60
45-54.....	1,745	22	4,717	26
55 & Over.....	1,210	15	2,811	15
	8,129	100	18,307 ^c	100

^a "Part-time operators", are not the same as "part-time workers." Part-time operators includes off farm income from salaries, wages, commissions, custom work or non-agriculture business or practice (pensions, family allowance, investments, rentals from lands, unemployment insurance or exchange work not included), providing the income received was over \$750 or worked 75 days or more off the holding. Part-time workers are all workers regardless of the number of days worked or income earned.

^b These part-time farmers are those who worked off the farm for 73 days or more no income restriction was available as in 1966.

^c Of the 18,307 workers, 9,459 were non-commercial farmers and 8,823 were commercial farmers.

SOURCE: Census of Agriculture in Alberta, 1951 and 1966.

Another very important observation should be made regarding Table 7. In 1961, 41 percent of the non-commercial farmers did off-farm work. This means we are losing more full time farmers than we are those farmers who report part-time work off their holdings.

While evidence is not available it may be safe to assume that many farmers who have off-farm income are better off financially than those who depend entirely on the sale of farm produce. Taxation statistics indicate that

¹See definition of "part-time operators" footnote Table 5 which is a census classification. It only includes those farmers earning over \$750 or working 75 days off the farm.

TABLE 6
Part-Time Workers by Age, Alberta Farmers 1951, 1961 and 1966

Age	1951	%	1961	%	1966	%
Under 45.....	10,470	64	11,420	60	13,441	58
45-54.....	3,395	21	4,752	25	5,957	26
55 and Over.....	2,448	15	2,953	15	3,702	16
Total.....	16,313	100	19,125	100	23,100	100

SOURCE: Census of Agriculture in Alberta, 1951, 1961 and 1966.

TABLE 7
Part-Time Workers by Economic Class, Alberta Farmers, 1961 and 1966

Gross Sales	1961				1966			
	All Farmers	%	Part-time	%	All Farmers	%	Part-time	%
Under—\$2,500.....	28,009	38	11,539	60	20,440	29	10,492	46
\$2,500—\$4,999.....	19,017	26	4,132	22	13,862	20	4,877	21
\$5,000—\$9,999.....	15,976	22	2,318	12	17,117	25	4,420	19
10,000 & Over.....	10,210	14	1,136	6	17,992	26	3,311	14
Total.....	73,212	100	19,125	100	69,411	100	23,100	100

SOURCE: Census of Agriculture in Alberta, 1961 and 1966.

those who report off-farm income tend to be taxable more often than those who do not.

Farmers on Welfare

With so many Alberta farm families living at the poverty level we would expect many of them would be eligible for welfare (social allowance or social assistance as phrased in Alberta by the Department of Social Development). However, it is not easy for the farmer to get welfare because he usually has some equity in the farm. The net value of the farmer's assets make him ineligible for assistance.

The Department of Social Development reported 997 farmers in receipt of assistance in November, 1969. Of these, 168 farmers were in receipt of welfare due to present farm marketing and crop conditions; all were long term non-productive farm units; while 418 were temporary cases for various social and economic reasons.

There are some welfare cases where the problem is alcohol, poor management or lack of ambition. This is typical of people in all walks of life. Our concern is for the large

number of individuals who are working hard but cannot make ends meet.

Farmers who are residents of a municipality are not eligible for provincial assistance if they are employable or only require temporary assistance. All other welfare cases including those in Special Areas or Improvement Districts are handled by the Provincial Department of Social Development.

A survey of the municipalities showed that in 1969 there were approximately 195 farmers receiving municipal assistance in addition to the 997 receiving provincial assistance for a total of 1,192 farm families.¹

In addition to the above there were some 2,500 farmers who received the \$1,000 Provincial Government's Interim Assistance loan this spring. This special loan was given only to farmers who could prove they needed assistance to cover living expenses.

¹The survey was made by mailing a questionnaire from our office to all municipalities in Alberta (Improvement Districts and Special Areas are handled by the Provincial Government). Forty out of 48 replied, those that did not reply most likely had no or very few welfare cases.

There are many other farmers who should have received assistance but did not know how to get it or did not want to take it.¹ Many rural people are not receiving adequate attention. As one rural social development director reported,

"there are insufficient numbers of workers available from the Department of Social Development to adequately serve people who are in need of assistance. Assistance is being given but the workers are carrying such heavy caseloads that they have no time for the rehabilitative work and counselling that is so necessary to bring about change. This should not be construed as a criticism of the workers involved here but rather a statement of circumstances which mitigate against full and proper jobs being done".

It has been proposed that the provincial government should handle all welfare cases to prevent any overlapping of assistance.

MISUNDERSTANDING OF FARM INCOME AND THE CHANGING BASIC INCOME REQUIREMENTS

Many people still believe that basic economic needs of farmers are much less than those of urban people. They incorrectly assume that farmers do not need as much take-home-pay because they (the farmers) can live off the land. While this may have been the case a few decades ago the rural scene has changed greatly in recent years. Rural people are just as concerned about a standard of living, both economically and socially, as their urban counterparts.

Poverty is not only the lack of essentials to sustain life, but also lack of access to certain goods, services, and conditions of life which are available to others.

At one time when the majority of our population was rural-oriented, people were not inclined to compete with the standard of

living of urban people. Today this has changed. With modern communication and transportation technology the rural people are becoming more aware of the more affluent sector of our society. They too would like to enjoy all the modern conveniences and more leisure time. As a result, many rural people are not satisfied with their present income levels. There are some however, who are satisfied even though they are very poor.²

The needs of rural people have increased in many ways and only a few will be mentioned for illustrative purposes.

Life on the farm has changed significantly in recent years and the trend has been to purchase more and more goods and services rather than "living off the land". With more farm specialization fewer farmers have access to farm-grown produce. For example, 59 percent of the farmers reported hog production, 71 percent reported chickens and 71 percent reported milk cows in 1951. In 1966 only 41 percent reported hogs, 49 percent reported chickens and 48 percent reported having milk cows. According to our estimates, the 1971 census will probably report that approximately half as many farmers will have access to these products as was reported in 1951, so that many more farmers must purchase milk, eggs, butter, livestock, meats and poultry than they did previously.

There are many services purchased today that were not available before. Other items such as utilities (telephone, gas, electric power, running water etc.) and other conveniences mean extra costs in operating the farmstead.

With the decreasing rural population many farm inputs and services provided locally at one time must now be purchased further

²A study conducted in the Dixonville, Blueberry and Niton regions of Alberta indicated that 3/4 of the farmers had a total net family income of less than \$3,000 a year, and yet when these farmers were asked if they had money and could do anything they wanted, their response indicated that "even though farming is making a poor living for most members of the sample interviewed, most are sufficiently satisfied with it, most are so well satisfied with the farming life that they would not leave it even if there were no financial risk for them in the process". About one half of the farmers interviewed felt they were doing quite well, very well or promisingly. In the Bonnyville region 42% of the farmers interviewed in 1965 said they had sufficient capital invested in their farm unit. The average investment was just under \$27,000 and their net farm income was less than \$3,000. Even though these farmers may be satisfied with the size of their holding they were probably unaware of the economies of size that existed in the area. If they did, many would expand if they were guaranteed better returns. Many would not simply because they fear going in debt, are too proud to borrow, lack knowledge of possible returns from various resource uses, are reaching old age and don't want to bother changing, etc.

¹Dr. Stephen G. Peitchinis states that "Undoubtedly, there are hundreds of low income individuals and families who qualify for supplementary social allowances but do not apply for them. A number of reasons can be suggested; firstly, there has been little concerted effort by government, semi-public and private welfare agencies to inform the people of their eligibility and to encourage them to apply; secondly, there are people who know that they are eligible, but do not apply because of fear of being rejected, uncertainty regarding the extent to which they would be compelled to account for their expenditures, and unwillingness to undergo means tests; and thirdly, there are many who regard any form of public assistance as degrading."

from home. Farm inputs (machinery repairs, fuel, fertilizer, hardware, building material, etc.), living needs (food, clothing, etc.) health service (medical, dental, drugs, etc.) and other general services provided by technicians, mechanics and tradesmen must all be purchased further from home for many farm families. It is difficult to estimate the extra costs involved nevertheless they are real costs that necessitate higher family incomes to meet present needs.

Larger farm tractors, automated equipment, and other machinery (including the self-propelled garden cultivator) all provide more leisure on the farm, but require higher comes. In other words, the rural financial needs are much closer to those of urban people today than they ever were in the past.

One other misconception regarding farm people is that they may be poor income wise, but they accumulate a large amount of farm capital. This is very misleading for three reasons: (a) much of the capital is left to the next of kin so he can start farming, (b) over one-half the farmers have a capital investment of less than \$40,000 and (c) farmers own about 75 per cent of the capital they operate.

Many farmers must expand their holding to remain a viable unit in a very competitive industry. Most of their earning must be plowed back into farm expansion. This means that farmers with low incomes actually have even less to live on, than appears on the surface. Given the present income ratios many urban dwellers could generate a larger capital holding than the farmer. Because he does not, should not be construed to mean he is unable to do so.

In conclusion, if one were to consider all the economic costs of not having a dentist, a doctor, a library, a swimming pool, a theater, a good education, or even a babysitter in the rural area, it can be established that the modern farmer must have an income comparable to that of urban workers.

REGIONS OF LOW RURAL INCOME IN ALBERTA

We have "pockets of poverty" in Alberta. Some regions have considerably lower incomes, on the average, than others.

Statistics of total net family farm income are not available so cash sales per farm, capital investment per farm and net income, as reported by income tax returns were used as

a yardstick to measure the occurrence of low income in the 15 Census Divisions of the province of Alberta (Table 8).

Census Divisions 12, 13, 14 and 15 appear to be the regions having the lowest gross farm sales per farm, capital investment per farm, and the lowest net income as reported by income tax returns with exception of C.D. 14¹

These four regions lie in the northern part of the province with the exception of C.D. 14 which protrudes further south along the well established forestry area. The low income region lies predominantly on the less productive dark grey wooded soils zones of the province. The black and brown soils contain much fewer numbers of low-income farmers. One would be safe to assume that low productive soil regions breed low-income earners or attract people who have little capital and less

TABLE 8
Distributions of cash sales per farm, all tax returns and capital investment per farm, by Census Division
Alberta, 1966

Census Division	Cash Sales Per Farm \$	Rank	Capital Operated Per Farm \$	Rank	All Rural Tax Returns* \$	Rank
1.....	12,355	5	83,123	5	4,226	3
2.....	17,101	1	90,824	4	3,769	8
3.....	13,882	4	97,338	2	3,673	9
4.....	11,541	6	97,261	6	4,231	2
5.....	16,448	2	105,431	1	4,304	1
6.....	15,267	3	93,225	3	4,025	6
7.....	11,039	7	71,857	7	3,664	10
8.....	9,654	8	59,657	9	3,512	11
9.....	6,203	11	67,192	8	4,179	4
10.....	7,367	9	51,992	10	3,245	12
11.....	7,133	10	50,807	11	3,859	7
12.....	3,874	14	29,390	15	3,141	14
13.....	5,122	12	37,604	14	3,073	15
14.....	2,958	15	30,608	15	4,102	5
15.....	4,741	13	39,537	13	3,215	13
Province..	9,125		60,739		3,615	

*"All rural tax returns" exclude the cities of Medicine Hat, Lethbridge, Calgary, Red Deer, and Edmonton but include all towns, villages and the cities of Grande Prairie, Lloydminster, Drumheller and Wetaskiwin.

SOURCES: Agricultural Census, 1966 DBS
Taxation Statistics, 1968, Dept. of National Revenue

¹C.D. 14 is distorted because of the 6,524 people who filed income tax returns only 1,021 could have been farmers. The towns of Edson and Hinton would employ the majority of the rural taxpayers in this region.

than average education.¹ The area tends to be less productive in crop production and unfavorable weather and climate conditions increase the risk and uncertainty of adequate returns. Marginal returns per unit of production are lower in the area making it that much more difficult for the farmers to sustain a more rapid rate of economic growth.²

WHY WE HAVE RURAL POVERTY

For various reasons we are always going to have people at the bottom end of the income scale, no matter what programs are developed. Our concern is that too many rural people are poor, and immediate solutions to the problems are required.

If farmers were able to make the necessary adjustments and if there were no external impediments for labor migration into other employment it should be possible theoretically to minimize the wide-spread income differentials that exist within and between various sectors of our economy. Rapid agricultural adjustments do not take place and this is why we are confronted with wide-spread poverty in rural areas. The question that needs to be answered is what are the factors that impede rapid agricultural adjustment and economic growth and contribute to wide-spread rural poverty.

(A) Factors Affecting Rapid Agricultural Adjustment and Growth

Assuming that rural poverty can be minimized by

- (1) Off-farm migration
- (2) Expansion and development of farm holdings
- (3) Supplementary rural income and
- (4) Higher net returns for farming

then some of the major factors which affect these adjustments should be reviewed.

First, it should be established who might be expected to make these adjustments. Farmers are by no means homogenous and cannot be categorized by placing them in boxes. It is possible to assume however, that we have three economic classes of farmers. First are the viable farmers who need not adjust. Second are the potentially viable farmers who could adjust and increase farm incomes; and third are the non-viable farmers who need to

migrate or earn more income from non-farm jobs. That is, we have two groups who can adjust, but within them we find farmers who are able, unable, or do not want to make these adjustments. The one single most important factor to consider is age of the farm operator. All other factors revolve around this one.

(B) Age Groups

1. The Young People

The younger the farm operator, the greater are his opportunities to find non-farm employment. The older the farm operator the less are his chances to migrate or expand his farm unit.

If a farmer wanted to improve his economic position through migration, alternative employment opportunity becomes the single most important element in the decision to leave farming. Lack of knowledge of jobs, experience, and education were important factors. A study of migration from a low-income farm area indicated that three-quarters of the migrants moved less than 30 miles from their former farms, and most had remained in their original community.³ One-half of the migrants who responded held on to their farm during the transitional period. They retained ownership of their farm for some time as a means of maintaining some feeling of security. Some had hopes perhaps, of returning to the life they hated to leave. The variables that affect the migrants success in off-farm employment depend upon his level of education, work experience and non-farm training. The level of unemployment is of course also very important. If it is desirable, and we think it is, to increase off-farm opportunities to the young people in rural areas, education and non-farm opportunities become very significant factors.

Whenever a farmer leaves the rural area there is a detrimental effect on those remaining. The services of those remaining become underutilized and the cost of municipal and social services per capita increase.

To create a more favorable rural-urban balance it would be desirable to have more part-time or full time work for young farmers in their own area rather than have them migrate outside their community. More incentives for industrial development in rural areas are required to provide these jobs for farmers.

¹This observation is made by the author on the basis of his study of low-income farm regions in Alberta.

²For more details on factors contributing to slow growth see appendix A which contains a summary of a thesis by Elmer Allen.

³See page 2 of Wayne Lamble's thesis on Off-Farm Migration in appendix B of this report.

There has been a significant decrease in the number of younger people taking up farming in Alberta. In 1951 there were over 41,000 farmers under the age of 45 whereas in 1966 there were only about 29,000 (Table 9). If this trend continues, it should in itself, remove many of the low-income farmers from the agricultural industry. Those who want to help farmers should perhaps concentrate in this area—the young people in rural areas. This requires better educational opportunities for the young, some retraining for others, information regarding employment opportunities, and financial assistance and incentives for rural people to continue education.

TABLE 9
Age of Farm Operators, Alberta, 1951 & 1966

Age	1951		1966	
	Number	%	Number	%
Under 45.....	41,683	49	29,620	43
45 to 54.....	19,802	24	18,516	27
55 & Over.....	22,559	27	21,275	30
	84,044	100	69,411	100

SOURCE: 1966 Census of Agriculture in Alberta

2. The Middle Age Group

It is those people with low-incomes who are in the middle age group that it is most difficult to help. It is unlikely there will be any significant reductions in the foreseeable future because they are not as mobile into other occupations. It seems more logical to help a 50-year-old farmer to keep producing than to retrain him, move him from the community he enjoys, to employ him for a few years in an environment where the cost of living will be much higher.

About 27 percent of the farm operators in the province were between 45 and 54 years of age in 1966. Twenty-six percent of them supplemented their farm earnings with off-farm employment. While many of these farm operators have viable units and have higher average incomes than the younger farm operators, they do not earn as much as those 70 years old and older, but they do have larger family obligations than do older farm operators.

The most logical internal agricultural adjustment appears to be expansion of their farm holdings and/or increase in part-time work. External factors such as prices for their

products and prices for their inputs play an important role in their economic development.

Expansion of their holdings requires additional capital, managerial abilities, adoption of new technology, services of agriculture extension, adequate market information, and most important, higher returns for their production.

At the present time there is no special farm credit program for the non-viable farmer. Loans are based on the individual farmers equity so that those who have larger farm units are the ones who can readily obtain credit at reasonable interest rates. Rather than the majority of land sales being added to present holdings of the potentially viable farm unit, viable farm units are expanding their farm holding's at about the same rate as others. The small farm operator is at a disadvantage when it comes to competing for land that is being offered for sale. Until such time as there is a change in agricultural credit policies, land tenure arrangements and government programs to provide higher returns to these farmers, they will continue to live in poverty. Low loan limits, high interest rates, and the traditional lending policies of lending institutions who make loans exclusively on the value of assets owned by a potential borrower, do nothing more than perpetuate poverty in Canada. If governments continue their laissez-faire attitude towards these farmers they will have very little opportunity to improve themselves.

Future farmers need to avail themselves of assistance and guidance (from a management aspect) in providing lending agencies with a well analyzed set of financial accounts, or well defined budget or plan of how they propose to invest the borrowed capital. At the same time many lending agencies must adopt the management rather than equity approach to lending and borrowing. This means that lending institutions will have to know more about modern farming practices, farm budget etc. Bankers and professional agrologists in Manitoba recently participated in a seminar to learn more about farm budgeting etc. To our knowledge this practice has not been adopted in Alberta.

3. Older Farmers

With nearly one-third of the farmers in the age group 55 and older, no agricultural adjustment program that is aimed at employ-

ment will be very successful. Early retirement within the local area combined with some negative income plan appears to be the simplest avenue of approach for this group.

We believe that in the interest of dignity and self-respect for the individual, it would be wrong to say these farmers should "do something else." Rather than try to raise every submarginal farm to commercial status, minor improvements to boost incomes, even if one must use a negative income plan, it should be used in a program for older farmers.

C. Domestic and International Markets Affect on Agriculture Income

The number of farmers at the poverty level, regardless of their age group, fluctuates from year to year, depending upon agricultural production and market prices. The general income level of all farmers in Canada is highly correlated to general price levels of agricultural commodities. Prices of most agricultural products are subject to severe price fluctuations. Fluid milk is one of the few commodities that has established prices. Products that are exported are affected by international prices, while products consumed locally (such as fresh meats) are affected by domestic markets. Foreign prices tend to be inelastic (drop less with increased production) while local market prices tend to more elastic (drop by a greater percentage than the percentage increase in production).

Various measures have been employed to stabilize prices and consequently farm income through such measures as:

- (1) Fixed prices
- (2) Stabilized prices

- (3) Two-piece systems
- (4) Input quotas
- (5) Sales quota
- (6) Floor prices

Attempts have been made to increase prices through some form of supply management, market promotion, and subsidies. Nevertheless, agricultural prices in general have not increased comparably with other prices in the Canadian economy.

The Index of Prices Received by Farmers in Canada has increased 16 percent since 1949 whereas the Consumer Price Index of All Items has increased 62 percent (Table 10).

Farm costs in Canada however, have increased by 100 percent since 1949, catching farmers in a cost-price-squeeze. Prices received by Alberta farmers increased by only 9.5 percent, while costs have increased by 97.2 percent (Table 10). These figures by themselves do not show the entire picture because productivity is a factor that should also be considered, nevertheless, it does indicate that the margin of return to farmers has decreased drastically during the last 20 years.

High rates of inflation in recent years have contributed to the rapid increase in costs of farm inputs but has not increased farm prices. Consequently, inflation has had a detrimental effect on farm incomes in general across Canada.

During the last 4 years, gross farm income in Alberta has dropped 1.4 percent, largely due to price declines (there was a small drop in productivity also). Realized net income

TABLE 10
Price Indexes, 1949 to 1969

Year	Index of Prices Received by Farmers		Consumer Price Index all Items	Cost of Commodities and Services Used by Farmers	
	Alberta	Canada	Canada	Western Canada	Canada
	-1961=100-			-1935-39=100-	
1949.....	101.0	98.9	77.4	199.2	204.1
1959.....	93.1	95.2	97.9	265.8	269.5
1969.....	110.6	115.0	125.5	392.9	408.4
Percent Charge 1949-69.....	+9.5	+16.3	+62.4	+97.2	+100.0

SOURCES: Index numbers of Farm Prices of Agricultural Products, Cat. No. 62-003, DBS;
Index Numbers of Commodities and Services Used by Farmers, Cat. No. 62-004, DBS;
Consumer Price Indexes, DBS.

however, dropped by 29 percent and if we ignore income in kind (it appears highly exaggerated), income per farmer has dropped over 43 percent in Alberta (Table 11). This drastic drop in farm income has no doubt put many farmers into the low-income category.

While price increases for agricultural products would not remove many farmers from the low-income category, it is one of the most significant factors contributing to low-incomes in general at the present time (see Table A in appendix).

GOVERNMENT AND RURAL DEVELOPMENT PROGRAMS

Governments have recognized the need to improve farm income levels across Canada. The recent Task Force on Agriculture was the result of recognizing the complexity and emergency of the economic state of agriculture in Canada. In the past, many agricultural programs were adopted to tide the farmers over a crisis, and ad hoc programs are still being developed today. A good example is Operation Lift, a program that is of very short-term.

The government could be criticized for inconsistent policies. On the one hand they promote agricultural efficiency and on the other hand they have policies that promote equity and compensation. If agricultural programs are aimed at serving the viable commercial farmers, they will not meet the problems of poverty-level farmers. While we recognize that certain programs are necessary to serve both, some of the general programs should be restructured to assist the low-

income farmer more than the viable commercial farmer. Nearly all of the Agricultural subsidies or assistance are received by commercial farmers who have gross sales in excess of \$10,000. They sell about 70 percent of total production, but represent only 25 percent of the farmers. On a per farm basis this means that those selling over \$10,000 gross would receive nearly 7 times more subsidy per farm than would those selling less than \$10,000, if the subsidy had no upper limits and was paid on each unit sold. Fortunately, a few of the government assistance and subsidy programs such as the dairy subsidy, Operation Lift, and the interest-free cash advance program for farm stored grain have upper limits. However, others like wheat storage assistance, feed freight assistance and crop insurance assistance, and many other indirect forms of government assistance have no upper limits. For every one million dollars of government subsidy or assistance paid in Alberta a farmer selling more than \$10,000 of farm produce would receive about \$40 while the farmer selling less than \$10,000 would receive only \$6 on the average. Since the larger farm operators' costs of production are considerably less than that of the small farmer, this is a good example of "assistance to the one who needs it least".

Governments have listened too closely to those who say giving larger subsidies to small farmers is "subsidizing inefficiency". Why is it that we fail to hear the same phrase when small businesses are taxed 21 percent instead of 50 percent? This is not called "subsidizing

TABLE 11
Recent Changes in Alberta Farm Income, 1966-69

	Realized Gross Income	Realized Net Income	Income in Kind	Net Less Income in Kind	Income Per Farm Less income in Kind
— Millions of dollars —					
1966.....	833.7	337.8	69.8	268.0	3,866
1967.....	871.8	328.4	77.0	251.4	3,670
1968.....	891.2	306.5	88.0	218.5	3,240
1969.....	826.8	239.7	94.8	144.9	2,180
Change 1966 to 1969.....	-11.9	-98.1	+25.0	-123.1	-1,680
Percent Change.....	-1.4	-29.2	+35.9	-45.9	-43.6

SOURCE: Calculated from, 'Farm Net Income', DBS.

inefficiency", rather it is called a "tax incentive" to help small businesses. Farmers need "incentive programs" to help low-income operators become self-sufficient economic farm units.

The government should subsidize interest rates for those farmers who are presently non-taxable and would like to expand their farm into an economic unit, for two reasons. (1) It would not cost as much as welfare programs and at the same time the farmer would be helping himself. (2) The taxable farmer is indirectly obtaining credit at less than cost because he is able to claim the cost of credit as an expense. For example, the cost of credit to a taxable farmer in the 50 per cent tax bracket is actually one half the rate of what the non-taxable farmer pays. Furthermore, interest charges are normally higher for small farm operators because of the greater risk involved. If special concessions or consideration is not given to the low-income farmer most government programs will simply perpetuate low-income farmers.

ARDA programs have been of some help to the middle-income group in two areas of the province. Their objective is to raise incomes in rural areas and improve resource use. It is difficult to assess how successful ARDA has been in the province until the 1971 Census of Agriculture is available. We have some suspicion that the reduction of farmers in both C.D. 14 and C.D. 12 will not be greater than that in the other census divisions. We also suspect that average farm income in these two areas will not be any closer to other regions in 1971. We are unable to understand why rural development programs are not more successful in raising rural income levels.

RECOMMENDATIONS

1. *Guaranteed annual income plan for migrants*—Some form of income protection is required for those who want to leave farming. The greatest problem facing individuals seeking a new occupation is the uncertainty of security at their new job. If their income was guaranteed at a satisfactory level for a reasonable period of time, it should encourage more migration of young people. This would provide for more utilization of underemployed resources of human capital by creating more output in the economy, on the long run.

2. *Encourage more on-the-job training by employers*—Employers perhaps have been

reluctant to hire unskilled labor because the output of the employee does not warrant the minimum wage they must pay. However, if the recommendation above is adopted, and the government supplemented part of the wages paid while training on the job, more under-utilized human resources could be employed. The trend towards hiring only those with higher education does not necessarily mean more productive output. Many rural people have hidden talent and ambition that could be developed on the job. Some form of government grant could be incorporated to provide some incentive to the employee to complete the training necessary to improve myself.

3. *Potential viable farmers should receive management and financial assistance*—Farmers who want to expand their farm into an economic unit should be given assistance. A program should be developed that would make available to the farmer agricultural extension specialists who would assist the farmer throughout the adjustment period. The Rural Development Credit Agency suggested by the Task Force would provide the necessary credit. If the farmer upgraded himself and improved his income, he should be rewarded by the government writing off part of the loan. Incentives of this type tend to increase participation and the farmers' efforts to reach a certain goal. We understand such a program is presently underway in England.

4. *Subsidization of interest rates should be provided for non-economic farm units*—Unless low-income farmers are given some concession, many will never be able to rise above the poverty level. Low-income farmers are presently unable to set aside enough income to invest in their business because most of it is used for living expenses.

5. *Agricultural subsidies should be directed towards the low-income sector of agriculture*—Subsidies represent financial assistance contributed by governments toward current costs of production. The objective of most subsidy programs is to increase the earning power of a farmer so that he could expand his operation and thus have less need for the subsidy. With present distribution methods most of the subsidies go to those farmers who now have less need of them. Unless additional subsidies and assistance are redirected to low-income farmers, the value of assistance programs to the poor is questionable.

6. *A special program should be established to enable low-income farmers to acquire land*—Many low-income farmers are unable to acquire land because other farm operators outbid them in the market place. A program should be directed toward farmers who have sufficient managerial ability but not adequate capital, to help them acquire more land. This can be achieved through more liberal loans for land, or by government purchase, and either reselling or leasing the land to a restricted group of small farm operators.

7. *Redistribution of the tax burdens for low-income people would help reduce the number of people living in poverty*—Farmers are more receptive to tax reductions than they are to transfer payments that provide the same end result. Municipal, provincial and federal taxes combined tend to be regressive. That is, the low-income families' tax burden as a percentage of family income is greater than it is for higher-income families. Families in Canada with incomes of less than \$2,000 contributed 60 per cent of their income towards taxes of all levels in 1961 (see report of the Royal Commission on Taxation, Volume 2, 1966, P. 246). Families earning between \$3,000 and \$7,000 contributed about 32 per cent towards taxes and only thereafter did higher-income families start to contribute a larger percentage, the \$10,000 and over group contributing about 38 per cent on the average. However, 22 per cent of the families fell into the \$2,000 and under category while only five per cent earned \$10,000 and over. The Carter report states that with exception of income taxes, taxes in general levied on individuals are not equitable. The report states that property, social security, sales and excise taxes are regressive in most cases. We believe that each citizen should assume a personal financial responsibility for the cost of services commensurate with his ability to pay. The three levels of government should restructure their taxation system to remove the regressiveness with more consideration of the taxpayers ability to pay.

8. *All individuals and families should receive some form of guaranteed annual income*—The present social development program (previously Public Welfare) in Alberta does not serve the farm population adequately. Many farm families are living at bare subsistence levels and many do not have enough to cover all family needs. In many

cases children quit school to help provide family needs. This is unfortunate, as it tends to perpetuate poverty in certain rural communities.

A negative income tax plan would eliminate many welfare schemes and help those farm families who are unable to obtain welfare because they own farm assets. (In 1966, 19,212 or 27 per cent of the farmers had a total capital value of less than \$25,000 in Alberta while 20,378 or 29 per cent owned between \$25,000 and \$50,000. Their equity is about 75 per cent of what they operate.) In spite of the fact that many farmers have a small capital investment, and one half of all Alberta farmers are non-taxable, most of them do not qualify for any assistance. If a negative income tax plan provided for payment (from the treasury) an amount equal to one half of the unused exemptions and deductions, it would help those who really need economic assistance. Such a scheme would stimulate incentives for people to work and better themselves. Transfer or welfare schemes are not favored by farmers and too frequently they undermine, rather than reinforce the abilities and aspirations of recipients to participate productively in our economy.

Welfare systems at present tend to provoke the results they should be designed to avoid. For example, a child who must stand in line with a voucher to obtain his school books feels alienated whereas a university student who has 80 per cent of his education subsidized by taxpayers feels the province owes him an education. Some go so far as to say we should pay them while going to university. Farmers have never asked for much more than a square deal. They would like to get paid a decent wage for their work.

9. *More industrial development should be encouraged in rural areas*—Regional development incentive programs to promote economic expansion are desirable. We are somewhat concerned in Alberta that the Federal Government selected only one "special area", Lesser Slave Lake, and only the extreme southern part of the province was selected as a "designated region", under the Regional Development Incentives Act. We believe more provincial-federal government co-ordinated rural development programs should be developed to utilize the physical and human

resources of other rural regions in the Provinces.

10. *Farmers must have marketing legislation that would provide more stable realistic prices for farm products*—On the domestic level with supply management and more bargaining power farmers could receive higher stable prices. World prices of many agricultural products would rise if foreign governments did not subsidize production one way or another. Removal of international trade restrictions for agricultural products and more two-way trading with those countries who would purchase more agricultural products should be developed. Canadian farmers are very efficient and have done a good job in trying to survive on the basis of being competitive. However, as long as other producers do not have to play the game by the same rules there is no way farmers can compete.

11. *Census data on family income is essential*—To date the only economic classification of farmers is "gross farm sales". Such data is completely inadequate as a yardstick in the determination of the economic status of farmers. Total net farm family income should be reported. This would include net farm income, part-time income, transfer payments, plus all other off-farm income. Cross-classification according to family size and age of the operator would be most useful in keeping track of the numbers of low-income farm families in the future. This should be incorporated immediately into the 1971 census of Agriculture.

12. Dominion Bureau of Statistics should review (1) income in kind, (2) index of prices paid by farmers, and (3) index of prices received by farmers.

Income in kind accounted for 32 per cent of net farm income in Alberta in 1969, 25 per cent during 1961-69, 20 per cent during 1951-60 and only 16 per cent during 1941-50. We believe that more realistic data would show the trend in reverse.

Index of prices received are not up to date. Unless preliminary estimates are made no current use of the data can be made.

Index of prices paid uses inputs such as binder twine which is no longer used by farmers. Furthermore, all farm and non-farm indices should use the same base year instead of 1935-39, 1949 and 1961.

13. We concur with most of the recommendations made by the Agricultural Task Force

which are found at the conclusion of chapter 16 on the Low-Income Sector. They recommend in part:

- (1) Strengthen the Manpower Service available to farmers
- (2) Higher Levels of Employment
- (3) Improved Education
- (4) Welfare and Social Services
- (5) Guaranteed Annual Income Plan
- (6) Small Changes for Older Farmers
- (7) Community Approaches
- (8) Publication of Research and
- (9) Special Rehabilitation Programs as a means to resolve the low-income of farmers".

We believe that recommendation No. 8 is incomplete. We suggest that too much time has been spent on research and not enough on program development and co-ordination with other departments which are involved in rural development.

14. We also believe that recommendation No. 12 by the Agricultural Task Force in chapter dealing with credit should be implemented to solve the low-income problem.

"As a special subsidiary to the Federal Provincial Agricultural Credit Board, a Rural Development Credit Agency should be created. The Agency's attention should be devoted entirely to providing credit to the non-commercial low-income farmers. Its operation should be flexible—in order to ensure that there is a minimum of duplication and omission among existing programs relating to the poverty sector in agriculture. The Agency should count as its successes, those loans and assistance which result in a farmer graduating to commercial credit terms".

We do not agree with some of the other recommendations such as No. 10 which states that governments should not subsidize interest rates.

There were over 29,000 farm families in Alberta who were living in poverty in 1968 on the basis of taxation statistics. The assumption is made that families are living in poverty if their total family income (excluding non-taxable transfer payments) is less than their total exemptions and deductions allowed for individual families under the Income Tax Act. In spite of the fact that total

physical output of agricultural production and per capita production in farming reached an all time high in 1966, one half of the farmers in the Province were still non-taxable during the taxation years 1966, 1967 and 1968. Net farm income has been dropping since 1966. If we ignore income in kind, net income per farm dropped over 43 per cent from 1966 and over 1969. On the basis of 1969 farm income and outlook for 1970, one half the farmers will continue to remain non-taxable. Considering the fact that the cost of living has been increasing rapidly and wages and salaries have been rising for many others to keep up with inflation, farmers are actually worse off now relative to the rest of society than they were a few years ago.

There were nearly 1,200 farm families who were receiving provincial and municipal assistance last year. In addition there were some 2,500 farm families who received special provincial government loans for living expenses because of the short-run agricultural crisis that has developed during the last two years.

Life on the farm has changed rapidly during the last two decades. Fewer farmers have excess of farm grown produce because they have specialized their production. This means that their off-farm needs for production inputs and family living have increased considerably. With the decrease in rural population, the cost of many goods and services have increased as farmers have to travel further to receive them.

There has been a significant increase in the numbers of farmers reporting off-farm income to supplement their farm income. In spite of the fact that many farmers sell very little farm produce, their total income from all sources is higher, in many cases, than of those farmers reporting considerably more in farm sales. This suggests that many part-time operators, if moved out of agriculture would be made worse off considering the higher living expenses in urban areas. Furthermore, many of the part-time operators have very limited agricultural resources that could be added to those remaining in agriculture for expansion purposes.

The number of young people entering agriculture has dropped significantly in recent years. Other young people who are farming would like to leave the industry for other jobs if they could. However, they have found many barriers to occupational mobility that

need to be overcome. Many farmers like their occupation and are so satisfied with farming as a way of life that they are reluctant to move regardless of the economic benefits they would receive outside of farming.

Many farmers are caught on the border line. When markets for their products are unfavorable, incomes drop and they fall into the poverty group. Attempts have been made by farm organizations and governments to stabilize and increase prices by various means. The obstacles in this direction have been exceptionally difficult to surmount. Farmers are optimistic (if they were not we would not have any farmers today) that things will improve next year. In the meantime many live under substandard conditions, hoping that somehow, somewhere, things will improve.

REFERENCES

1. The committee should read pages 436 to 49 of the "Proceedings of the Canadian Agriculture Congress", Ottawa, 1969. This section of the report contains comments by three workshops and a statement by the Saskatchewan Department of Agriculture on the low-income sector in Canadian Agriculture. There are recommendations at the conclusion of their comments.

2. The committee might find maps (prepared by the Economics branch, Canada, Department of Agriculture for 1961) showing agriculture gross sales, part-time work, farm capital, and size of farms most useful background of where low-income farmers are located in Canada. Data on all four maps and low-income farms are very highly correlated.

3. "Economic Growth in agriculture: A Comparative Analysis of Two agricultural Areas in Alberta", by T. W. Manning and George Buckmire, Publication No. 13 of the Agricultural Economics Research Council of Canada, November 1967. Much of the material in this bulletin is the result of research work by the author, of this report found in the following reference (No. 4). For example 10 out of 12 tables in the appendix of the report are taken directly from Mr. Allen's thesis.

4. "Factors Affecting Economic Growth in the Bonnyville Region", a thesis by Elmer C. Allen. The summary of this thesis will be found in appendix A of this report.

5. "Off-Farm Migrants: A Care Study of Characteristics and Adjustments" by Wayne G. Lamble. A summary of his thesis will be found in appendix B of this report.

6. "Community Opportunity Assessment" of poor farming areas in "Blueberry Mountain, Dixonville, Niton and the more prosperous areas of "Innisfail", Alberta, 1967, these studies were undertaken by the provincial government under the guidance of Dr. C. W. Hobart.

7. "In Aid of the Poor-Public Assistance in Alberta" 1968, by Stephen G. Peitchinis, Professor of Economics, University of Calgary.

APPENDIX A

FACTORS AFFECTING ECONOMIC GROWTH IN THE BONNYVILLE REGION 1967

By Elmer C. Allen

Abstract

Many agricultural areas in Canada have low farm incomes relative to other higher income agricultural areas. This is partly due to the rapid agriculture change taking place today. Slow economic growth is usually attributed to inferior quality and smaller quantities of physical resources per worker. Adoption of new technology, farming practices and large capital investment in the more affluent agriculture regions has served to increase the difference in income between farms and regions.

In this study, two regions were selected in Alberta. Factors which contributed to economic growth in the high-income Red Deer area were isolated and compared with those in the low-income Bonnyville area. It was found that Bonnyville farmers had low incomes because inadequate amounts of resources were available to combine with the existing labor force. Furthermore the low-income region did not use existing resources efficiently. With improved management, more efficient use of resources, and increase in the farm size a considerable increase in the agricultural region's economic goals could be achieved.

It is unlikely that a more favorable growth rate can be achieved without stimulation from outside the region. This is where ARDA

and other resource development programs can play a big role in improving the low-income problem of rural regions.

Summary and Conclusions

The rate of economic growth in Bonnyville, measured by gross income per operator in constant dollars, has not improved relative to Red Deer growth. Bonnyville farmers are as far behind as they were 25 years ago. At that time Red Deer farmers had twice the average gross farm income per operator and although 25 years later both regions had doubled their gross output per operator, Red Deer farmers still maintained the same relative position over Bonnyville farmers.

One reason why Bonnyville farmers have not overcome the differential income gap is the change in total regional output over time. Over the last 25 years, Red Deer increased her total regional output by 50 percent, where as Bonnyville only made a 21 percent increase. As a result of low regional productivity, rapid off farm migration occurred and some 800 (40 per cent) farm operators left the Bonnyville area between 1941 and 1961. The net farm income of the remaining farms is still considerably below that of the provincial average.

The economic growth that did occur could be attributed to three major agricultural adjustments. There was a significant increase in all aspects of farm size in the Bonnyville area. Total farm acreage increased so that presently it is similar to Red Deer farms. More significant was the increased acreage in Bonnyville farms from 64 cultivated acres in 1936 to 220 cultivated acres in 1961. In Red Deer the change was from 160 acres to 276 acres.

Change in livestock production paralleled the change in gross income in both regions over time. Red Deer farmers on the average had twice as many cattle and hogs per farm as did Bonnyville some 2 or 3 decades ago and the same relative difference exists today.

Total capital investment per farm also relates to the trend in gross farm income. Total capital investment in both regions had increased ten fold in current dollars since 1936. Red Deer farms maintained about twice the average capital investment per farm as

Bonnyville farmers. However, the distribution of capital investment among resources which was similar at one time, has changed. Today, Red Deer farms have considerably more invested in land and buildings whereas Bonnyville farms have increased investment in machinery and livestock. The distribution of farms by size of investment is markedly different in the two areas also. One half of the Bonnyville farms have a total investment below \$25,000 whereas only 10 percent of the Red Deer farms are in this category.

Failure to gain capital to combine with existing labor, appears to be another cause of differing gross farm incomes in the two regions. Larger amounts of working and operating capital would help achieve the general economic objectives of the region. In the Bonnyville area over one half of the farmers said that they did not have sufficient capital in contrast to one quarter of the Red Deer farmers. Moreover the average loan in Red Deer was nearly twice as large as that in Bonnyville which reported 7 percent more loans.

Although there were more people per farm operator in Bonnyville, there was a larger labor force in man-years of available labor on Red Deer farms. Even though there was more labor in Red Deer, the labor was more efficiently employed in terms of output per man-year than in Bonnyville. In other words there was more underemployed labor in Bonnyville than on Red Deer farms. However, quality of labor is probably much more important as far as farm production is concerned. In comparing managerial ability in the regions, Red Deer farm operators were far ahead of Bonnyville operators. Management was no doubt a factor relating to the size and determining the productivity of the farm.

Net farm income and family earnings were closely related to the quantity and quality of available resources per operator. As a result, the majority of the Bonnyville farms earned low net incomes, 67 percent earning less than \$2,000 as compared with only 25 percent of the Red Deer farms. In their own value terms, 85 percent of the Bonnyville farmers and 40 percent of the Red Deer farmers stated that their incomes were unsatisfactory. The average net farm income was \$1,325 in Bonnyville and \$4,599 in Red Deer. The Bonnyville farmers gained 41 percent of their family farm income from non-farm sources as compared to 19 percent in Red Deer. Off-farm income did help to alleviate the low farm income

problem for some of the farmers. While large differences in incomes may be attributed to inadequacy of farm capital per unit of labor, intensity of land use, and managerial ability, other differences in weather and farm size were undoubtedly important.

In spite of adjustments made to increase the efficiency of farm commodity production and labor migration, agricultural incomes remained relatively low. Most of the farmers in Bonnyville own too few resources which can be combined with labor to earn satisfactory incomes. It was found that not only do Bonnyville farmers lack sufficient resources but that available resources were not being employed efficiently.

By increasing the scale of farm, Bonnyville farmers could expect farm returns to increase by a factor of 1.6, whereas Red Deer farmers had constant returns to scale. In addition to increasing the size of farm, Bonnyville farmers would benefit if resources were used in different ratios. Increasing livestock production, land acres, coarse grain and forage, while decreasing wheat acreage and summer fallow would increase income considerably. However, to make these changes necessitates a larger amount of capital, more off-farm migration, more land consolidation and more and better management. It is obvious that external help from other institutions is necessary to facilitate these changes.

APPENDIX B

OFF-FARM MIGRANTS: A CASE STUDY OF CHARACTERISTICS AND ADJUSTMENTS, 1968

By G. Wayne Lamble

Summary

The objective of this study was to learn some of the characteristics of farm people in Alberta who have left farming for non-farm employment, the main factors influencing this decision to move, and the consequences of these moves. Some of the more relevant findings of this analysis have been summarized in this section.

The Pre-Migration Situation

Nearly 90 percent of the migrants had been raised on farms and they had spent an average of 19 years trying to succeed at their

preferred occupation and way of life. The average age of the migrants when they left farming was 43 years; 3 years less than the average for farm operators as a whole. Nevertheless, this represented an age disadvantage for many of the migrants in seeking non-farm employment.

About three quarters of the migrants had children of school and pre-school age living at home who also shared in the experience of moving from the farm to a non-farm environment. The average family size was 4.7, somewhat larger than the average Alberta farm family of 4.2 and 3.7 for Alberta urban families.

While the level of formal schooling attained did not appear to impede nor encourage off-farm migration, the migrants reflected the general low level of education of farm operators which is much lower than many other members of the labor force. Thus well over one half of the migrants were also educationally handicapped and restricted in the kinds of jobs for which they qualified.

About one in four reported having acquired some non-farm skills prior to leaving the farm; mostly in the form of apprenticeship or on-the-job training such as carpentry, mechanics, plumbing, welding, and some business experience. Over one half of the respondents had worked off the farm, mostly on a part-time or seasonal basis, during the five years prior to leaving their farm. These tended to be the men who had smaller than average farms, producing very low net incomes. Although the off-farm work was often low paying, it had provided a relatively regular and stable supplement to their inadequate farm income and provided an opportunity to acquire marketable non-farm skills.

Migrants had smaller farms. The median size was 320 acres or 160 acres of improved land. Similarly, average capital investment was nearly half that of non-migrant farms. Two thirds of the migrants had operated farms with a capital value of less than \$24,950. However, operator equity in this investment was high with only 57 percent reporting any outstanding liabilities prior to migration, and the median amount for this group was only \$3,000.

Almost one half of the farms had produced less than \$3,750 in gross sales annually. A similar proportion of former farmers had to supplement their farm income with off-farm

work. The median off-farm earnings of this group was \$1,500 per year and accounted for over 50 percent of their total family income.

The Decision to Leave Farming

More than 60 percent of the migrants had been thinking of making the move for a year or more before they actually left the farm. Much of the decision process was concerned with the resolution of mixed and conflicting feelings concerning their farms. As a group, the former farmers showed more areas of agreement concerning why they liked farming than why they disliked it. Nearly all reported attractive features or advantages that reflected the social-psychological attributes of farming such as feelings of independence, serene atmosphere, close family and neighbor relationships, and personal satisfaction of working with plants and animals. On the other hand, almost all of the migrants reported important disadvantages of low and unstable financial returns, hard working conditions, and dependence upon weather and market conditions.

The primary reasons given for leaving farming were economic in character, although they were aggravated by general conditions of work and life in the farm environment. Almost two out of three reported economic and financial reasons; more specifically, inadequate and uncertain high production costs, low prices, crop failure, and shortage of land, labor, and capital. Twenty percent of the migrants, most of whom were from the high-income area, gave personal factors of ill health and advancing age as their most important reason for leaving the farm. Social-psychological factors were the major reason for 14 percent of the migrants. They generally reflected a desire for better working and living conditions than were available on the farm.

Many might have moved sooner had they been able to see satisfactory alternatives and solve some of the uncertainties involved in migration. Others were "getting by" and were reluctant to leave the family farm, hoping things would improve before they were forced to move. While a critical health problem or crop failure and finding a buyer for the farm were often factors that finally resulted in actual migration, locating a alternative employment opportunity was the single most important final element in the

decision to leave farming. Consequently, most migrants had found employment by the time they left the farm, and very few were not employed within a month of leaving.

Contacts with friends and relatives appeared to be the only form of assistance that a few of the migrants had in obtaining non-farm employment. This greatly limited the effective geographical area for which suitable employment opportunities could be found. About three quarters of the respondents had moved less than 30 miles from their former farms, and most had remained in their original community.

Almost half of the migrants had sold their farm when they first quit farming, but most of the others preferred to go through a transitional period in which they retained ownership of their farm for some time as a means of maintaining some feeling of security.

The Post-Migration Experiences

The relatively short distance moved by the majority of the migrants considerably reduced the difficulties associated with making adjustments to non-farm employment and living. Only 30 percent reported having experienced any notable difficulties and of these, finding suitable employment was the most serious problem. Those affected tended to be older, with low levels of education and had no non-farm training or work experience. Adjusting to increased cash living expenses and to the impersonal nature of urban living posed a difficulty for a few, especially those moving greater distances to larger towns and cities.

The migrants chose a wide variety of non-farm employment, but concentrated in the unskilled, service, clerical, and sales categories. The more frequently mentioned jobs included janitor service, road construction and public works laborers, carpenters, mechanical workers, and sales jobs.

Seventy percent of the group had not experienced any unemployment since leaving the farm and a similar proportion had made no change in jobs during that time either. Only 12 percent reported any dissatisfaction with their non-farm jobs due to low wages, long hours of work, and hard working conditions.

Four out of five migrants had realized an increase in their family income by making the initial move to non-farm employment. Moreover, 90 percent continued to increase

their level of earnings as they spent more time in the non-farm labor force. The average increase was 5.9 percent yearly. By 1966 the median level of employment earnings was \$4,200. Including other sources of income the average total family income was \$5,685 per year.

Thirty percent of the former farmers had experienced some residential mobility after leaving the farm but the majority of this group had moved only once, usually to purchase their own house or in quest of better living conditions. There was a decline in their involvement in voluntary organizations in the community as family and kinship continued to play an important role for their companion and recreational needs.

The families were generally satisfied with their new location; only 12 percent indicated that they would like to move to another area. Their attitudes toward the non-farm environment revealed that they tended to stress the occupational and material advantages of living in town and to consider many of the social-psychological aspects as disadvantages.

Despite the off-farm migration that has occurred, in some areas the rate has been too slow, and there has been a tendency for labor to accumulate as apparent and disguised unemployment. The low productivity of these people contributes to rural poverty and economic stagnation. Evidently a higher rate of migration would be necessary to bring about improved utilization of resources and well-being of the individuals and families.

The wide variety of characteristics among those leaving farms suggests that if confronted with comparable economic, sociological, and personal problems and frustrations, many other farm operators would also decide to leave to enter non-farm employment. There is evidence that a higher rate of migration can be met from farms. In the study conducted in 1965 of the Bonnyville district, there were 44 per cent of the farm operators who indicated willingness to leave farming to accept non-farm employment. They had been unable to do so for a number of reasons, most important being the absence of alternative job opportunities, lack of alternative skills and job training, and low levels of education.

There is now unprecedented need for public policy and programs which will give special consideration to the circumstances that impede mobility and structural change in

agriculture. As revealed in this study and in others, the diversity in the characteristics of migrants and potential migrants necessitates a variety of programs to meet a variety of needs.

The varied farm experience background may be an asset in many jobs such as construction, road building, operating machinery, and businesses related to farming. But employment will continue to grow faster in the service industries than in productive industries. While it is expected that there will be substantial increases in requirements for proprietors and managers, clerical and sales people, skilled craftsmen and service workers, and smaller increases among semi-skilled, the need for unskilled labor will not likely increase. The big challenge, then, for farm people desiring to change occupations will be to meet the technical and professional requirements of alternative opportunities.

One of the barriers to occupational mobility is that the marginal value product of the new entrant is less than his cost to the employer until he has acquired the necessary skills to perform effectively in his new job. As minimum wages increase, this gap may become so high that no industry can afford to hire an unskilled worker.

These points illustrate the great need for occupational training, training that will enable migrants to qualify for skilled jobs that are available. Part-time off-farm work is a popular avenue to full-time non-farm work which enables individuals to obtain non-farm work experiences as well as training. Moreover, such a system of in-place training can reduce placement problems. Chances for other non-farm employment are improved if a migrant shows a prospective employer previous non-farm work experience. Likewise, if the migrant has some satisfactory experience in non-farm employment, the personal uncertainty of leaving farming is reduced.

Co-operation and guidance from local business and industrial groups are needed, especially since most operators have a desire to remain in the area where they farmed. This requires planned programs of economic development of local resources in broadening employment opportunities. Consideration may also be given to assistance and training programs helping those with potential managerial ability to use their special skills in developing their own business to provide needed community services.

Training and retraining costs should not be borne entirely by the first non-farm employer since once achieved, they become part of the skills of the individual trainee and may not be captured by the employer. Such training should be the function of a public agency, or a public subsidy should be provided to cover the cost incurred by a trainee in a private firm. Where retraining of a farm operator occurs away from their home area, training may be more effective if provision is made to move the rest of the family with him. This may require providing housing for the family near the training site and intensive counseling with regard to making social and living adjustments. Arrangements for a flexible training schedule adapted to variations in seasonal labor requirements, including individual tutoring and remedial education may also be necessary. Finally, specialized forms of financial assistance involving grants and loans for subsistence during periods of training and unemployment that may accompany transition to a new job as well as to overcome economic obstacles to geographic relocation should be available.

There is a need for expanded services of employment agencies at the farm level to test, counsel and place those interested in occupational mobility. Evidence indicates that potential migrants usually have quite limited knowledge of the alternatives open to them, including programs of assistance as well as labor market information.

Agricultural extension has a responsibility in agriculture that extends beyond improving production and efficiency to include areas of adjustment associated with human resources. It should attempt to establish an understanding by farmers of what adjustment in reorganization and management of farms is required to fit future conditions. The earlier potential migrants decide to leave farming, the easier the overall adjustment.

Many migrants would leave sooner if they could sell their farms. Programs of public purchase of such farms or credit programs to assist private consolidation would ease this impediment.

Other so-called "boxed-in" farm operators are often beyond the age where migration normally occurs. It is quite unrealistic to expect these persons to make substantial occupational and geographic moves. Programs of early retirement and terminating compen-

satory payments may be a more reasonable approach in such instances.

A necessary prerequisite for greater occupational mobility from farm to non-farm is a strong labor market. A slack labor market reduces the incentives to change occupations, to educate oneself, or to move geographically because of the risk of being unemployed thereafter.

These, as well as other programs, are possible approaches needed to improve manpower mobility potential in agriculture. The effects and evaluation of any alternatives may best be provided by scientific experimentation with different types of programs. However, in view of the changes taking place and the importance of occupational and geographic mobility of labor to a solution of low-income problems in rural Canada, manpower policy for agriculture must be related explicitly to national manpower policy and to general economic goals.

The 6,328 farmers who reported gross sales between \$3,750 and \$5,000 in 1966 would now have returns between \$4,500 and \$6,000. Assuming one-half of Alberta farmers are below the poverty level (taxation statistics) a price increase of 20 percent would remove about 7 percent of the farmers out of the poverty class. However, the income disparity between low-income and high income group becomes even wider i.e. those with \$12,000 gross sales receive 60 percent more income

while those selling \$2,500 receive only 50 percent more income.

Appendix C

Hypothetical example of effect of a price increase for Alberta farmers

	25th Percentile	50th Percentile	75th Percentile
Gross Sales.....	\$2,500	\$5,000	\$12,000
Expenses.....	1,500	3,200	8,000
Net.....	1,000	1,800	4,000
Now with a 20 percent increase in prices holding other factors constant			
Gross Sales.....	3,000	6,000	14,400
Expenses.....	1,500	3,200	8,000
Net.....	1,500	2,800	6,400
Change in income.	+50%	+56%	+60%
Income up.....	+50%	+56%	+60%

In addition to the above farmers there are many part-time farmers who probably would rise above the poverty level if their gross returns rose by 20 percent. Furthermore, there are others who by our standards would still be living in poverty but many of the farmers perhaps would think differently. In other words, instead of only 7 percent being raised above the poverty level, it is possible that perhaps some 15 percent of the farmers would feel they moved out of the poverty group.

APPENDIX "E"

BRIEF

To The

SPECIAL SENATE COMMITTEE ON
POVERTY

Submitted by

The City Of Edmonton Social Service

SPECIAL PROJECT

6th Floor, C.N. Tower, Edmonton

June 30, 1970

PROFESSIONAL GROUP

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APPENDIX

BRIEF TO THE SPECIAL SENATE
COMMITTEE ON POVERTYSubmitted by Resource Mobilization for
Employment—Special ProjectCity of Edmonton, Social Service Department
6th Floor, CN Tower
Edmonton, Alberta.

Harland W. Magnuson—Director
 Marvin E. MacLean—Psychologist
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George Diadio—Research Associate

PRELIMINARY INFORMATION:

The Special Project was initiated two years ago out of mounting concern for the welfare of chronically dependent, multi-problem social assistance clients. The concern was twofold:

(1) There was an increase in the number of unemployed employable persons on the welfare rolls which represent an increasing social and economic cost to society.

(2) We knew very little about effective approaches to meet the needs of these people.

The purpose of the Special Project was to devise effective social service techniques and to study the needs of the unemployed employable person who was currently on the welfare rolls.

Through cooperative efforts of all three levels of government, a grant was secured from the Department of National Health and Welfare, Welfare Grants Division, to support a demonstration project. At the present time, the action phase of the study has been completed and staff are writing up a comprehensive report of the experience and findings. This Project grew out of the three city study, Edmonton, Winnipeg and Ottawa which was undertaken earlier by Dr. Paul Geisel of the Canadian Welfare Council. There were three demonstration projects planned for Canada, but due to unforeseen events, Edmonton was the only city fortunate enough to get its project off the ground. This brief is concerned with the unemployed employable person as related to social assistance funds. Many of the observations have been derived from the research and experiences gained by staff and clients in the operation of the demonstration project.

In staffing the demonstration project, the decision was made to bring together people from different professional backgrounds. With a multi-disciplinary team contributing ideas and experience, a comprehensive service unit was established for the purpose of implementing an experimental approach to the problem. Staff were recruited with the research associate, a social psychologist, being the only one having had prior experience in the social assistance field. The director's professional identification was in psychiatric social work, with experience in several private agencies. Three staff counsellors were identified with the profession of social work, adult education and psychology. The Special Project receptionist-secretary was recruited from the stenographic pool of the City Social Service Department and was familiar with many aspects of the Department's operations. The research director, a sociologist, was

retained on a part-time basis and had extensive experience and knowledge of social action research.

The social assistance clients actively served by the Project consisted of males under 45, living with a spouse or having a history of a stable common-law union. There were to be no serious physical handicaps or mental defects present or known at the time of referral. These people were referred to the Special Project by the regular Provincial Department of Social Development and City Social Service Departments. Clients with the above characteristics were randomly assigned to either the Project or a comparison group.

LIVING IN CONDITIONS OF POVERTY:

All of the people dealt with in the Special Project were in relative states of poverty. They were poor to the extent that they had exhausted all of their own financial resources and had become dependent upon the welfare system. There are many other people who live in poverty who do not come under the jurisdiction of welfare programs or are differently characterized. This brief does not concern itself with those populations. The best estimates of the number of unemployed employable people in our society indicate that this group comprises a small proportion of the total population. In Alberta, it is estimated that there are approximately 4,000 employable unemployed individuals on the Provincial public assistance rolls. To this must be added a number of spouses and dependent children that are affected by the status of these unemployed individuals. While we refer only to a specific and limited type of social assistance client, we feel that this experience has implications for many others in the welfare situation. In Alberta, the number of people seeking social assistance is increasing and it is at the same time increasingly more difficult for a person in a poverty cycle to extricate himself. Our society has become complex and at the same time our clients indicate that they are alienated from one another and have fewer relationships to fall back on at a time of crisis in their lives.

Two different kinds of poverty, very closely inter-related became evident. First, there was poverty involving the simple lack of money. Second, there was a type of poverty characterized by demoralization, despair, and hopelessness. These individuals were lacking in the spirit of life and had simply resigned themselves to a vegetative kind of existence.

CONFRONTING DESPAIR:

During the last two years we were in contact with people who were experiencing both types of poverty simultaneously. They both lacked money and spirit with which to re-establish themselves in the mainstream of our society. In reviewing our service it seems that the greatest perceived benefit was the opportunity provided for personal confrontation. Clients often indicated that for the first time they had an experience where someone was willing to tell them exactly what was seen as their responsibility to themselves and to the rest of society. It was important to them to have someone who really cared and who was willing to help them restore hope for the future. Concluding research interviews with clients indicate that the experience of confrontation in a context of personal involvement was a most significant aspect of the experience. Even though their past functioning was not conducive to productive employment, we found that when given the opportunity these people were willing to confront themselves. They were willing to deal with their own inadequate attitudes when they saw that by doing so they would earn another chance to prove their own worth to themselves and the rest of society. Through this experience a glimmer of hope was restored. As attitudes changed, they became more content with themselves and were able to move toward a realistic life plan and formulate sound goals. The spirit of the service rendered was to try to meet the people on their own ground and provide the necessary supporting services to do what was thought necessary. There was joint responsibility in this relationship and each counsellor was accountable to his client; likewise the client was accountable to his counsellor.¹ This was the common meeting ground on which we were able to meet and begin realistic planning with the unemployed employable men and their families.

EXPERIMENTAL TRANSACTIONS:

In keeping with the above philosophy, the following is a sample of the innovative approaches utilized in the Project.

1. Informal Operational Procedure:

- (a) *Location of Office*—an office having easy street level accessibility was secured apart from the regular welfare offices in Edmonton.

¹"Reality Therapy" by William Glasser, M.D., Harper & Row, 1965

(b) *Coffee Urn in Waiting Area*—by initiating an easy informal reception area where coffee was always available and where our receptionist was encouraged to engage in conversation with clientele, we were able to help them feel welcome and relaxed while waiting for an interview.

(c) *Personality and Location of Secretary* by having a small waiting room area and by having our secretary keep appointment schedules, running on a prompt basis, we were able to demonstrate to people that they counted and were worthwhile, and helped them to begin feeling this way.

(d) *Staff Relations*—staff were encouraged to call each other by first names and also to address clients on a first name basis. Introductions were made among staff and clients so that people would gain experience in meeting others who were strange to them. It appears that in this way and in other ways we were able to reduce alienation.

2. Client Involvement:

(a) *Client Committee*—the purpose of the client committee, a group initiated by staff, but later became self-governing, was to give feedback to the Special Project staff relative to the services rendered.

(b) *Client Budget Committee*—the purpose of this committee was to review grievances between staff and clients over matters related to budget control of the social assistance funds in individual situations were clients and staff were not able to come to an agreement. The budget committee was elected from the main client committee body and had authority to make changes as they deemed necessary. This committee acted responsibly and was a definite asset to both staff and clients.

(c) *Assessment Meeting*—clients, their wives and sometimes older children were included in assessment planning meetings and were required to read the staff assessment report. This included impressions from staff of the client's personality, and current life situation. Attacking the problem with this degree of openness on the part of professionals and clients resulted in increased trust and client involvement as well as a clearer analysis of problems.

3. Staff Development:

(a) *Conferences*—each staff member attended a conference during the two year period of operation. The purpose was to bring back new and fresh ideas on a variety of aspects related to rendering effective social services. This policy stimulated creative thinking and input of fresh ideas. It was also instrumental in building good staff morale, and was congruent with the overall developmental philosophy of service which included not only clients but staff as well.

(b) *University Courses*—being located in a city with a large and comprehensive array of relevant course material available, staff were encouraged to upgrade themselves by attending the University of Alberta.

(c) *Team Building*—at the very outset it was necessary to spend a considerable amount of time developing a common philosophy and acceptance of the unique attributes possessed by each staff person. In addition, it was necessary to maintain this relationship on an ongoing basis by having conferences at which time staff were free to challenge each other on a personal basis.

(d) *Tape Recording*—a very open policy on tape recording was maintained for the purpose of staff development, greater learning and understanding of client situations.

4. Utilization of Community Resources:

(a) *Psychiatric Consultation*—a link was maintained with competent psychiatrists in the community for the purpose of consultation and treatment of individuals who needed and were motivated to utilize such services.

(b) *Debtors Assistance*—a high percentage of our clients needed to help with debt problems. Fortunately in Alberta, this service is excellent and was extremely helpful in helping people to repair the credit rating they had destroyed.

(c) *Family Court*—where there was clear evidence that a person refused employment and did not avail himself of appropriate services to solve his problem he was brought to court to face the question of his responsibility as head of a family. This action was initiated while maintain-

ing a compassionate and understanding supportive relationship. This experience, along with intensive counselling services, proved to be a useful technique with carefully selected cases. Quite often clients began using the Project services in a more meaningful manner after the court experience.

(d) *Academic Upgrading and Job Retraining*—The resources available in Canada Manpower's Adult Upgrading Programs were helpful. Even more helpful though, in our experience, was the Alberta Vocational Training Program. Both programs were used extensively.

(e) *Family Aids*—the purpose of using the Family Aid program was to help the wife improve home conditions and atmosphere. Clients were able to identify with the Family Aid Worker at times when they were unable to identify with a professional counsellor.

(f) Several other resource agencies in the community were used; following is a partial list:

Division of Alcoholism
Family Service Association
Alcoholics Anonymous
Out Patient Department of the University Hospital
Legal Aid Society
Edmonton Labor Council
Edmonton Rehabilitation Center

5. Group Experiences:

(a) *Retreat for Married Couples*—the purpose of this retreat was to improve communication between husband and wife and allow them to be away from their families for the purpose of reassessing their situation. Help was provided for competent child care.

(b) *Mens Retreat*—the purpose of this experience was to set up an encounter group around theme, "Getting to Know Yourself", using an outside group dynamics consultant.

(c) *Ongoing Group Experiences*—the purpose of these experiences was to enhance the functioning of clients.

1. *Wives' Group*—the wives group brought together people with similar difficulties and gave the Project a family focus. In many instances when wives gained a different perspective

of their husband's unemployed status they began working together as a team in the marriage.

2. *Men's Group*—A series of men's groups served to identify basic problems such as poor self-concept, uncertainty of ability or potential to achieve, etc. By listening to each other and through professional guidance of group leaders, the men began to experience satisfaction and move from a state of immobilization to action.

3. *Married Couples Group*—this met with varying degrees of involvement, however it is our impression that some gains were made in achieving better communication in the marriage.

6. Psychological Measurement.

(a) *Personality Assessment*—the purpose of this was to assess the characteristics of the client's personality and utilize these in long-range goal planning and career placement. Liabilities and assets were enumerated and the assessment results afforded the opportunity for counsellors to check their clinical impressions, allowing greater precision.

(b) *Assessment of Potential*—psychological tests were used to arrive at a realistic assessment of a person's potential. In many instances it was found that individuals tended to under-rate their own ability to achieve. These psychological tools were open to the clients and results were discussed with them.

7. Job Development.

(a) *New Careers*—the purpose of the New Career program was to use public assistance funds to develop the usefulness of a job to the point where it would be accepted by the regular system of employment as a worthwhile career. Men were not just placed, but were placed with a view to their interests and the job's potential for growth.

(b) *Sheltered Work*—when there was a need for development of skills using on the job training, we were able to offer financial incentive and reduce the burden of risk that a prospective employer would be taking by employing a person with a questionable background.

8. Research:

(a) Feedback was constantly gained from the Project researcher. This allowed reassessment and adjustments in research design and promoted new developments in the action phase of the Project.

(b) The fact that staff knew their performance was being measured and assessed had an effect on functional behaviour that was mostly positive.

While it is difficult to define the ingredients that go into a developmental philosophy, one of them certainly is flexibility. This is readily observed in the above outline. Our caseloads were small enough to permit involvement of sound personal relationships. Of critical importance was the formulation of a plan by the client, in cooperation with his social worker, by which he proposed to re-establish himself in society.

There are at least two sets of dynamics influencing the problem of the employable unemployed social assistance client. A set of dynamics that encompasses the individual's personality is discussed in the literature and all that needs to be said is that many of our clients are personally inadequate to meet the demands placed on them in the labour market.^{2,3,4}

The other set of dynamics is the complexity of the society. This complexity is exemplified by the client's inability to cope with consumer credit resources; the highly differentiated job market; the law; and the large scale helping agencies in the urban community. Inadequate wages and the lack of job opportunities contributes to a competitiveness that forces some people to the bottom of the ladder. This causes people to lose sight of their objective, give up hope, and subsequently drop out of the labour force. This dynamic interacts with the person's personality difficulties so that some of these people are compelled to apply for social assistance. Once dependent on social assistance the client finds himself financially reinforced for failure. This leads to a

cycle of dependency difficult to break. Stigmatized by his society and marginally supported in his failure he makes attempts towards self-support—fails—returns to welfare and is further rewarded for his failure by another cheque. As time progresses these attempts are fewer until welfare becomes a predictable, marginal, yet safe way of life.

RECOMMENDATIONS:

A. Specific Recommendations to Social Assistance Services

1. It is recommended that facilities and services be organized in such a manner as to permit a general, informal personal operational procedure.

2. It is recommended that inter-disciplinary comprehensive diagnostic services be available and utilized in a planned and disciplined manner.

3. It is recommended that a client voice in the control of public assistance funds be implemented on a cooperative and organized basis.

4. It is recommended that assessment, or goal planning meetings, be held with teams of staff, with clients participating to implement goals and facilitate involvement.

5. It is recommended that social assistance programs build in outside consultation aimed at improving operational techniques and to provide new and up to date knowledge.

6. It is recommended that social assistance departments set up ongoing demonstration staff units exploring innovative approaches, acting as training units, working with difficult cases and reporting regularly to staff operating the social assistance program.

7. It is recommended that social assistance administration be done flexibly keeping in mind the unique and differential needs and levels of potential of different clients.

8. It is recommended that in social assistance units, intensive services involve teamwork. This concept involves the assignment of a case to one primary worker but the case is the responsibility of the entire team rather than any single individual.

9. It is recommended that a staff development program be implemented involving, among other things, sending staff to conferences or seminars related specifically to their

²Friedman, Milton. *A Rehabilitation Program for Convalescent Mental Patients and Dependent Clients of Social Agencies. Canada's Mental Health*, May 1963. Department of National Health and Welfare, Ottawa.

³Friedman, Milton. *The Role of a Special Vocational Rehabilitation Program in Re-establishing Chronic Welfare Dependents*: 1964, p. 2. Vocational Rehabilitation Center of Metropolitan Toronto.

⁴Walker, R. A. *The Rehabilitation of the Hard Core Unemployed*, 1965 April. Minneapolis Rehabilitation Center, Inc. pp. 1-2.

tasks and job performance, for the purpose of bringing back into the program fresh enthusiasm and creative ideas.

10. It is recommended that the task of postulating problems amenable to research be assigned a high priority in the job performance of staff in social assistance programs.

11. It is recommended that ongoing research be implemented by social assistance departments in order to develop up to date and relevant programing.

B. General Overall Recommendations for Welfare Policy:

1. We recommend that a national policy clearly defining the level of poverty must be agreed upon and that the amelioration thereof must be seen as a goal toward which we must strive.

2. We recommend that intensive social services be designed to function with selected unemployed employable social assistance clients to effect their placement back into the mainstream of society. This necessitates a change in philosophy in that we must view financial need on a differential basis and give greater priority to separating financial services from social services. It is then possible to intervene in a client's life to prevent the further breakdown of social functioning by providing the option of intensive service.

3. We recommend a modern work requirement in welfare programming that takes account of job availability. Fiscal and manpower policies must be planned in harmony in order that all individuals can be assisted to utilize their potential in tasks that will be meaningful to them and to society at large. It may be necessary to institute a public employment program as part of the set of policies which will make this recommendation practical.

4. We recommend that a national policy on the level of poverty be congruent with a federal program of income maintenance in the form of a universal minimum income such as the demogrant. This procedure, we think, will restore respect and integrity to individuals, allow the retrieval of funds from those who do not need them through income tax measures, and remove the detrimental effect

caused by the present contamination of social work services that occurs through the administration of financial assistance.

SUMMARY:

One of the facts ascertained in the experience of the Special Project is that people do not feel worthwhile or have integrity unless they feel they are contributing and doing their share as members of society. On the surface it may seem that some people do not want to take this responsibility seriously but when incentive is provided we find that a new kind of "esprit de corps" evolves and the result is participation.

Social services offered by the demonstration project achieved a positive response from clients and a compatibility with their needs to be productive members of society. There were some clients who were initially unhappy about the confrontation effected, but after more thought many were able to say it had been a good experience. Basically, this confrontation consisted of their realization of their responsibility to themselves and society. Favourable rapport and mutual respect were gained when people were faced with the question of whose responsibility they were, especially in light of the knowledge gained of their good potential and subsequent ability to function independently. As well, they were able to participate in their own assessment and had constant access to Project staff. They were able to affect policy and operation as well as themselves being affected by these.

When clients make the decision to accept consequences of their behaviour, it is necessary to have a network of services to follow through with their plans. This network of services must be backed up in social legislation which helps to promote relationships to develop in a compassionate manner.

It must be especially noted that without a congenial host and sponsor the demonstration project could not have functioned and achieved the results and experiences compiled to date. The host organization must be willing to take risks and allow experimentation even if this sometimes necessitates difficulties for them. Sincere appreciation and thanks go to the City Social Service Department in Edmonton who made this Project and these findings possible.

Appendix	
Status of Special Project Clients as of June 25, 1970:	
Total Project Referrals.....	109
Dropped out without contact or with only minimal contact.....	30
Actively Involved with Project....	79*
Dropped out after intensive Involvement.....	8
Remaining Active June/70.....	71

(*79 is used as base figure as it reflects those who maintained involvement long enough for Project services to have some effect.)

SO.....	79 = 100%
Active—June 25, 1970.....	71 = 89.8%
Dropped out after involvement... (Note: of these 8 two are known to be working and doing well, one was recommended for long-term social allowance because of recently diagnosed illness)	8 = 10.13%
Working.....	44 = 55.70%
School.....	15 = 18.99%
No plan at present—full assistance	12 = 15.19%

So, 59 out of 79, or 74.68% of those who were intensively involved with the Special Project are at work or in school, (this includes academic upgrading, vocational training, apprenticeship, etc.)

APPENDIX "F"

SPECIAL PROJECT
CLIENT COMMITTEE BRIEF
EDMONTON, ALBERTA

JUNE, 1970

PURPOSE

The purpose of this brief is to express the needs and wants of the clients of the Special Project and to show what has been accomplished by clients in the Special Project.

DESCRIPTION OF THE SPECIAL PROJECT

The Special Project's purpose is to test the hypothesis that, given intensive counselling, encouragement, and mobilization of existing resources, a social assistance client can be channelled into a satisfactory job placement that will result in eventual reduction of dependency and the need for financial assistance.

SOME ASPECTS OF THE SERVICE:

(1) The Special Project has a very flexible staff and administration, which is an asset.

(2) The staff holds an assessment meeting with each individual at an appropriate time.

(3) The clientele of the Special Project is treated by the staff as individuals and responsible citizens—not like numbers. In order to keep this type of atmosphere, the location of the Special Project is entirely on its own, away from the regular system.

(4) The staff gives an individual the training to find himself, his real self, and to know himself a great deal better.

(5) The staff leaves the ideas of jobs and school up to each individual client, allowing him to make his own decision on his own future. Each must decide for himself.

(6) Vouchers are not used in finances; if necessary the Debtors' Assistance Board is contacted through Project staff to relieve clients of overpowering debts. Marital counselling is given, or other supportive counselling as the case may be.

SERVICE AND RECREATION:

(7) Group discussions and counselling for the clients have proven to have very good results.

(8) Outdoor camping for group sensitivity therapy and discussions have given clients, once again, self-understanding and feelings of self-worth.

(9) There are men's meetings and couples meetings (man and wife) once a week.

(10) Staff members visit clients in their homes. Clients may call their counsellor at any time of the day or night, in cases of deep depression or the need to talk with someone. These situations frequently occur.

OPERATIONAL PROCEDURE:

Many concepts of the philosophy and methodology unique to the operation of the Special Project are best understood and illustrated by following a hypothetical case. Referral is primarily accomplished through the cooperation of staff in the City Social Service Department or Edmonton Regional Offices of the Department of Social Development. The criteria for referral are:

1. Male, under 45, living with spouse, or history of a stable common-law union.

2. No obvious serious physical handicaps.

3. For research purposes, the client must not be told anything about the Special Project. When contact is made the Project is explained.

When a referring worker calls the Special Project, clients are either accepted or put on a waiting list. When it is possible to accept a client into the caseload the referring worker and the project counsellor usually make their own decision on how the referral may be best accomplished. Both staff members may meet jointly with the prospective client, at other times the client may be referred directly to the Special Project without the presence of his previous worker. During the initial interview, aims and objectives of the Special Project are discussed openly, and the client is told this represents an experimental approach geared to finding new ways of better assisting people in our society. He is told the Project is looking for people to voluntarily participate, but it is emphasized that he need not feel compelled to do so. He is told that involvement is desired with both him and his family. He is also informed that there will be interest in his personality, aptitudes, and interests, and that he would be expected to participate in psychological testing.

If he decides to become a client of the Special Project he is seen by the counsellor who will carry primary responsibility for the case. As soon as possible he is introduced to all members of the staff and the principal counsellor conducts several interviews to gather information. The objective of this process is to get to know the individual as a

person and not simply as a welfare client or a file number. This process is central to the Special Project and begins with the receptionist greeting the person, offering him a cup of coffee, helping him feel comfortable in the waiting room, and generally relating to him as another human being.

As soon as sufficient rapport is present an extensive psychological test battery is initiated. This battery includes the Edwards Personal Preference Schedule, 16 Personality Factor Questionnaire, Minnesota Multiphasic Personality Inventory, the Heimler Scale of Social Functioning, the Revised Beta Examination, Self Analysis Form and the Neuroticism Scale Questionnaire. While not a regular part of the test battery, other instruments are used in a discretionary manner.

When the staff worker has sufficient knowledge of the person to develop a plan, an assessment meeting is called. Staff attempt to learn as much as possible about the client's life style in order to make an assessment of how realistic any proposed plan may be.

Having developed long and short range goals through assessment meetings and group sessions, intensive counselling by unit staff and/or the utilization of appropriate community resources are implemented. There is continued involvement and periodic reviews. The process is highly individualized and also presents a challenge to each staff member to use his own initiative and creativity in regard to approaches which will work for a particular client.

In addition to individual interviews, the staff conduct group sessions. One group involves only men and was set up initially because they observed that many of the clients were astute at determining what was wrong with other social assistance clients, but didn't have much insight into their own situations. The group experiences revealed that the clients are able to talk to one another and establish rapport. This developed to the point of actual confrontations if thinking by a particular group member became unrealistic.

Another has been the married couples group. Groups of this kind have focused primarily on the lack of communication between husband and wife. It was felt that in many instances the married couples lacked information and did not have sufficient security in their own personality to be able to communicate real feelings to their spouse. The group has accomplished this purpose having had outside people come in to speak

and to discuss everyday problems. Both groups have been somewhat unstructured and open-ended in their membership, however recently clients have recommended closed membership. The wives have also formed a group, meeting with government officials and meeting with the men's group for discussions on various situations. The wives client committee work with the men's committee cooperating on many matters.

THE NEED FOR MAINTAINING THE SPECIAL PROJECT

It should be noted that because of more flexible administration of assistance (i.e. incentive, etc.) and because of higher per family per month earnings, the average family that the Special Project has been working with has a higher total monthly income. This flexibility in the administration of assistance seems to have been beneficial because Project clients have entered work or education earlier, more often, and kept at it much longer than those in the regular Provincial or City systems.

The longer the social assistance experience, the shorter the duration of jobs, the fewer the attempts to get jobs. Several studies have shown and the Special Project study has upheld the idea that from initial application to assistance to about 6 months appears to be a reorganization: during this time jobs don't seem to be the first priority, and financial assistance seems to be used as a breathing space to reorganize and make plans. After the 6 month period attempts to get jobs increase rapidly, rising to a maximum at around 18 months and then declining so that between 2 and 3 years after initial assistance was granted, the attempts to get jobs and the successes in getting jobs is almost non-existent. It seems that a person on assistance for over 3 years has about a 90 per cent chance of staying there. Because of more frequent, closer and intensive contacts, Project clients appear to have shorter reorganization time, averaging about 3 months before work or school.

In the planning stages insight into the problems to be encountered resulted in the Special Project being provided with a variety of professional staff consisting of one psychologist, one adult educator, one female social worker, one researcher, a fine secretary, and the Project director. Changes of counsellors are possible and usually at the request of a client. If the situation comes up that a particular counsellor feels there is no communi-

cation with his client, then the counsellor, himself, will suggest to the client that a change is wise.

Very often in other agencies people wanting psychological test results never get a chance to share these results or outcomes of the testing. The Special Project, at an appropriate time, holds an assessment meeting with each individual and his wife, behind closed doors, with all members of the staff, excluding the secretary. The purpose of this gathering is to talk over the results of the tests and other information and to provide better understanding between the husband and wife. Each counsellor has his or her own view. Talking, listening, and bringing all points of view to the forefront, can help the individual to better his situation, to give more insight into his or their problems, in order to prepare them for better functioning.

In the regular system and the way it operates, individuals are treated like numbers with no sense of responsibility. In the Special Project, the clientele are treated by the staff as individuals and responsible citizens. The welfare stigma isn't hanging in the air. The whole atmosphere is completely different: you are greeted with a smile—not a glare; you are offered a cup of coffee and automatically put at ease. Provision of financial assistance is not considered the primary goal of the Project staff. Money helps any situation to a certain extent, but it is not the root of the problem or problems. Money can't buy you happiness; but understanding, concern, communication and respect can do so much for a person. For this reason and others, the Special Project is located in an isolated site, away from the regular system.

Vouchers are not used to finance the client's needs. This procedure takes a great burden off a client's shoulders—the responsibility to cash gives him back his dignity.

Group discussions and counselling among clients have helped many of the clients get to know themselves and each other, and to express themselves and get things off their chests. Many of the various problems clients have are similar, if not exactly the same as the person sitting next to him. In this way they can express their feelings comfortably, give ideas and accept ideas among each other. This has proven quite an asset. This same type of session is carried on at outdoor camps which include group sensitivity sessions, group therapy, and discussions. All of these aspects give a client the benefit of the doubt. The

group meetings are held once a week with the men alone and one night a week for couples (man and wife). No one is forced or told that he better come out!

Through continued insight into existing problems a committee consisting of Project clients was born. This has provided good results in the sense that the committee has helped the staff in many areas by giving them feedback on the work and vice versa. The committee gives the men the responsibility of making decisions and the chance to get out to meet people in different levels of government and news media, to express their concerns. Many new clients who may have a misunderstanding with their counsellor and wish to change, but can't face up to the situation personally, or who may have a beef or gripe, will come to the committee first and in turn, after discussing the situation, take the beef to the counsellor or director of the Project. As a committee having gone through the mill, we can express our thoughts and honest opinions. This is why we are presenting the brief to this committee.

A budget committee was soon born out of the client committee. A client who feels he needs more money comes to this committee and explains in detail his financial situation and why he believes he needs more assistance. Three members sit on the budget committee and the majority rules in final decisions. Depending on the point of view of two out of three members of the committee, the person may get an increase or he may get less depending on the situation. The committee in turn takes this decision to Mr. Harland Magnuson, the Director. After discussing the matter with the committee, looking at reasons why it is felt that this particular client should get more or less, the final results are implemented. With all of these services used, clients have the incentive to go ahead and as a result about 70 per cent of the clients in the Special Project have been successful in job placement, upgrading in high school or N.A.I.T., etc. and literally get on the "right track" with a future in front of them. This compares with about 40 per cent in regular social service department programs.

CONCLUSION:

Granted, from one point of view the Special Project appears to be spending a large sum of money. However, from another viewpoint, very much can be gained. As mentioned above, at the latest counting about 70 per cent of the Project clients have gained

success in work, training or upgrading, by using the intensive counselling services, job finding, flexible use of assistance and other aids and incentives offered by the Special Project. It is reasonable to hope that with experience, abilities and increased insight into the problems, the staff will be able to improve this percentage.

Gains are manifold in that (a) the community gains with the success of every individual graduating from an upgrading program, going into employment, and becoming productive (b) offspring may be spared the danger of becoming "second generation" welfare charges and (c) the long term cost is really a long term investment which will eventually be amply repaid through taxes and contribution of skills and abilities to the society and economy.

Suppose the program is scrapped—what is to be gained? If this is the result then those denied this kind of help and experience stand a much higher chance of having to remain dependent on welfare.

Granted it costs money to upgrade and train, but in the long run it costs more not to do this. It costs money for close, intensive counselling and personality growth, but neglect of this results in much greater eventual social and financial costs. Besides, when compared to the costs involved in the usual long-term financial maintenance program offered by regular social assistance departments, the Special Project approach is not all that expensive.

To sum up—a negative approach to this kind of service can only maintain and increase the burden on taxpayers, as well as maintaining all kinds of social ills.

I had the chance—I want others to have it too!

Submitted by:

Bob Jones, Chairman
Client Committee
Special Project
Attachment: Addendum A
Resource Mobilization for Employment
Special Project
Position Statement—November, 1969

RESOURCE MOBILIZATION FOR EMPLOYMENT—SPECIAL PROJECT POSITION STATEMENT—NOVEMBER 1969

While it is too early to make recommendations based on findings and data of the Special Project before completion, it is possible to

state observable trends that might prompt consideration of changes in current operations relevant to social assistance. Therefore, we want to take this opportunity to outline briefly some ideas that have been discussed repeatedly in our experience to date.

Change in philosophy:

In our view, the attitude of "development of potential" seems absent from a subsistence based social assistance program. This does not reflect on any one person who may be involved in administering or carrying out services to people in an economic need, but rather has its roots in the basic philosophy and purpose of the program being administered. When there is a maximum ceiling on the assistance rates to which to adhere, this becomes the social worker's goal rather than the goal being development of the person toward independence. Often, the uniqueness of the individual's situation and circumstances seem to be lost in the shuffle of the administration process.

While it is difficult to define the ingredients that go into a developmental philosophy, one of them certainly has to be flexibility. In our view, when the decision as to how much assistance is granted remains with the social worker, who is in a relationship with the client, this becomes a tool which can be used to motivate the utilization of potential. The end product of this kind of relationship can be nurturing of integrity, dignity, and self-worth which are necessary ingredients in any personality that hopes to attain any semblance of independent living. This is a self-actualizing process which enhances the client's ability to meet more realistically his responsibility in our complex society. Of critical importance is the formulation of a plan by a client in cooperation with his social worker by which the client proposes to re-establish himself in society. A flexible assistance philosophy conceives of the "budget" as being one of the tools to help implement the total plan.

We think it is very important to consider the political implications of a changed philosophy in the administration of social assistance. In order to achieve the confidence necessary to carry out a program involving a "subsistence-plus category", it must be demonstrated that in the end there are going to be savings to the tax payer, or a demonstrated measurable increase in the productivity of the human resources involved, or both; and that these will offset the added cost of an

intensive goal-oriented income maintenance program. In our view, preventive social service and income maintenance must go hand in hand. If the goal is to prevent further breakdown in the social functioning of individuals, our philosophy of administering an income maintenance program must change to a developmental philosophy. People who can get help through ordinary institutional measures, on a private basis, must be encouraged to do so, but where this is impossible a question must be raised about the current prevailing attitude of insisting that a person exhaust almost all financial resources before becoming eligible for assistance. The current "hold the line" philosophy, using subsistence rates which are fixed, and a policy of eligibility which permits a client to experience total financial failure complicates the integration of preventive social services with income maintenance. There is little merit to the above practice, therefore, we must develop a program designed to intervene at a crucial time in a client's life to prevent the breakdown of social functioning from continuing.

Proposal.

From the experience gained to date in the Special Project, a logical outgrowth or plan might be as follows:

A. Discretionary powers as to the amount of assistance granted to be based on differential diagnostic intake procedure that would take into account:

- (a) present financial position of the applicant
- (b) present personality or emotional condition of the applicant
- (c) present planning and ability to develop potential toward independence.
- (d) an estimate of time necessary to achieve the plan which is outlined through intensive diagnosis. Implicit is the assumption that periodic assessment to re-evaluate the original plan will account for progress or lack of progress and allow taking new action based on experience.

B. To put validity into this kind of program there must be teeth in the law to permit social work personnel to take action to compel the applicant to be confronted with his own condition, rather than allowing him to vegetate on a subsistence budget as has happened with so many of the people we have seen to date, referred from both the

Provincial and City Social Assistance Services. To allow a client to use a subsistence budget for the purpose of retreating or withdrawing from society is not preventive nor is it developmental in philosophy. We think that some clients have arrived at a stage of "mere existence" before they arrive on the doorstep to make application for money. We also believe that many have lost "hope" for themselves and must be compelled to account for the potential that is theirs to use for their own well being, as well as the well being of society. Therefore, the services of the social worker must be embedded in the law to gain the respect and attention so necessary to the task. In some instances recourse to court of law, based on realistic facts, is the force which enhances a developmental philosophy and prevents further breakdown of social functioning.

Inherent in the above outline is a proposal for action, a plan and treatment of the individual applicant who makes his immediate needs known initially through a request for money. It has been stated to us many, many times by individual applicants that they do not desire only money, but are desperate for survival and therefore present that need first. Recently, a client told an Edmonton Journal reporter "this Special Project has done much good for me. Just giving money in a normal welfare way does no good. Here, they help you gain self-respect and a job."

This quotation illustrates the need for a preventive developmental philosophy aimed at restoring independent social functioning.

In the literature it has been stated repeatedly that one cannot work on personality problems until the basic needs are met. We have experienced this in the Special Project, and in our view, it is much more realistic to have the applicant determine his own basic needs and live according to his own decision. Sometimes the applicant's desires are unrealistic in terms of basic needs. Then the onus is on the social worker to be reality oriented and the task becomes one of modifying the attitude that the client has regarding his finances. Often it is this unrealistic mode of thinking that has contributed significantly to a breakdown in social functioning to the point where the person becomes chronically dependent. This pattern of personality functioning needs intensive intervention if we hope to restore independent functioning effectively. Usually such a pattern of functioning has not developed overnight, therefore,

remedial action must involve intensive counselling which has depth and understanding over a long period of time to achieve an outcome that has meaning for the client and also for society.

SPECIFIC THOUGHTS ON IMPLEMENTATION:

While we feel that it is not necessary for all staff involved in carrying out such a program to have as high educational and experience levels as the Special Project staff has currently, it is important that competent resource staff be built into the program to attain an adequate level of treatment-oriented achievement. If staff are not disciplined or effective in counselling, the program will fail because caseloads will build up and intensive services will cease. It is probably necessary to set some arbitrary limits, therefore, which will enable the Department to establish priorities on a differential diagnostic basis. It must be recognized that all cases do not require the services outlined in this proposal. It seems reasonable to delegate the administration of assistance where development of potential is not a goal to non-social work personnel. This procedure should result in some saving of time and the resulting decrease in numbers of cases per worker would allow the necessary initial planning with applicants to be carried out. The predicted overall effect of such a program will be that each year a number of clients who would otherwise remain dependent on public financial resources may be rehabilitated to the point of again contributing to the economy.

The need for this type of preventive social service program will continue to be apparent even though we may, in the future, achieve the goal of a guaranteed minimum income for all people. The complexity of our society is producing casualties who must be dealt with. In our view, we must accept the fact that financial need is only a symptom of a break-

down which has occurred in an individual's social functioning over a period of years. At this time, we have data from projects in Canada and the United States as well as from our own experience to document these facts both clinically and empirically. More knowledge is necessary and some is forthcoming, but the time for action is ripe. If we fail to provide the leadership to meet the challenge we may also lose the opportunity to use the knowledge we have available.

SUMMARY:

In summary, then, through careful diagnosis of the problems of all applicants those who are unable to benefit from intensive service because of i.e. health, injuries, extreme mental problems, etc. and have assistance administered to them without a lot of fuss, perhaps at reasonable subsistence rates. Those who could benefit from more services would then be handled with flexibility in approach and financial administration with the ultimate, ever present, highly stressed goal of **EVENTUAL** return to employment in a career rather than just a job. We say "eventually" because this process could be quite lengthy involving upgrading, training, apprenticeships, counselling, etc. etc.

The basic idea, and one to be stressed again, is that the parallel functions of any such service are to (a) help the client regain his independence, dignity, self-respect and respect from others as well as (b) make money for society by decreasing waste of valuable human resources.

QUESTION:

Can we discuss the reality of changing policy to include a "preventive social service" function and the "development of potential" as basic ingredients to a new philosophy of viewing economic need?

APPENDIX "G"

SUBMISSION

by the

EDMONTON AND DISTRICT COUNCIL OF
CHURCHES

to the

SPECIAL SENATE COMMITTEE ON
POVERTY

at

Edmonton, Alberta

July 21st, 1970

Presented by the Rev. Edward M. Checkland
Chairman, Social Action

Mr. Chairman, Ladies and Gentlemen:

This submission to your committee, made on behalf of the Edmonton and District Council of Churches, though not formally endorsed by the Council or any of its constituent members, will concern itself, as directed by the Executive of the Council, with that area of your responsibility described as "defining the problem and recommending appropriate action". We shall be concerned less with specific definitions and remedies than with broad general principles that should guide social policy in the matter of alleviating and eliminating poverty in Canada and elsewhere.

It was said long ago that "the poor you have always with you" and, in the minds of many people, this statement, its intent radically distorted by ripping it from its original context, seems pretty much to settle the matter. The statement is generally taken to mean that the existence of poverty is a fact of life embedded in the nature of the universe and is a fact that cannot be eliminated though its effects can to some extent be mitigated. A classic expression of this kind of thinking is found in

"The rich man in his castle,
The poor man at his gate,
God made them high and lowly
And ordered their estate."

Though an increasing number in our society would vehemently reject this as an adequate or even apt description as the state of affairs which creates the poor as a class among us, there is yet a tendency for many

people to accept poverty as inevitable for a substantial number in society. To such poverty, though no longer ordained by God, is nevertheless an unavoidable though regrettable-alleviate it but not be so unrealistic as to imagine that we can eliminate it. Common decency, it is felt, requires us to help but it should be recognized that there is little hope of removing the burden of poverty from those who suffer under it.

We should like to draw to the attention of your committee that even as ripped from their context, the words "the poor you have always with you" are a fundamental comment upon human nature and upon human society.

Concerning human society these words say that poverty is a function of civilization. Never in the history of mankind has any civilization been able to eliminate poverty. Poverty, indeed, has been the stone upon which every civilization has been built. The poor are always with us because civilization as men have created it requires that they be. No other conclusion can be drawn from human history as it has been lived on this planet.

Civilization has been built upon the backs of the poor. The classic examples of this are the slave, the serf and the coolie upon whose tortured muscles and tormented minds the glories of the past and even of the present were built. The wealth, power and comfort of the North Atlantic world are established upon the depressed conditions of people in Asia, Africa and Latin America.

In the modern world the once noble word "civilization" has suffered a considerable reduction in meaning. In practice it has become synonymous and almost coterminous with "development", i.e., the exploitation of the world's resources and the manipulation of the world's peoples required to make those resources exploitable. In short, poverty in our world has become a function of development. And now as the pollution of our air, our water and our land, becomes the evident and inevitable consequence of our pursuit of development the visage of poverty is assuming a grimmer and grimmer aspect and is becoming more and more the face of the future. To recognize that development has become the source of poverty in our world we have only to recall the comment made in the

1850's by an English visitor, Lord Carlisle, that it was the blessed good fortune of the United States that they had among them, as a class, no poor; and to note that the existence of the poor, as a class, in North America has become the central problem of our society. A case in point in Canada is the fact that N.H.A. mortgages originally designed to help lower income persons have in fact benefited them but little since money for mortgages was subject in the market to the power of the highest bidders who, of course, could not be persons from the lower income brackets. To understand that through the destruction of nature development has become the source of poverty for all in our society we have only to read our daily newspapers. Our predicament was succinctly, through probably unconsciously, put in words on a roadside sign in the Banff National Park which describes that park as "a museum of nature".

The point to be taken from these comments is simple and direct; namely, that it is men who make other men poor. Poverty is neither the consequence of the acts of God nor of the operations of a self-adjusting, automatic system. Poverty is the consequence of the acts of men operating their society. Nothing is more stupid than to try to explain poverty away either as an act of God or as the inevitable result of some vast impersonal process. Like the equally stupid alternative that holds that poverty is the result of the failures of the poor—which is precisely not what the words "the poor you have always with you" mean in their original context—this is a mere cop-out from responsibility. Persons, not the process, create poverty.

The words "the poor you have always with you" have become, therefore, a comment, in the twentieth century as they were in the first, upon human nature. Civilization and development are the work of men and the prevalence, persistence and extension of poverty is a fundamental comment on the kind of people we actually are in our civilized and developed world. We create poverty for other men because we are moved and directed by a mind that has become impersonal and mechanistic, more concerned with maintaining and operating the system than with the effects of the system upon human beings. Men are being made for the system and not the system for men. Much of the unrest in our society comes from the recognition of this fact and from the refusal to accept it any longer. It would seem, for example, we are

being told just this by the refusal of the native peoples of Canada to embrace wholeheartedly the possibility of their being absorbed into the "white man's civilization". We have, it seems clear, become the kind of persons who in the name of development do such things to other people that perpetuate and extend the rule of poverty in the world. That we have become this kind of persons all unconsciously does not in any way lessen the enormity of what we have done and are doing. It rather increases it, for it reveals that we never really gave much thought to what we were doing as persons to other people and, therefore, to ourselves.

Defining poverty as a problem becomes, then, a matter not merely of scrutinizing the structures of our society to discover their inequities and methods of removing or lessening them. Fundamentally, it resolves itself into a willingness and capacity for self-examination and criticism individually and collectively to discover how, in private and societal relations, we are failing to be persons to one another and to those beyond our own western culture. Poverty is a manifestation of that failure at home and abroad. We must look at our hopes, desires and ambitions to discover what room they allow and make for the needs and interests of others. We need to examine our ways of life to discover where and how they place unequal burdens on the backs of the poor. For example, we have to become aware of the fact that the rate of return on investment, which is the fundamental factor governing the development of our cities and our natural resources, is not an adequate foundation for a human habitation. This probably more than any other single factor contributes to shoving that 30 per cent of our population below what the Economic Council of Canada and others have described as the "poverty line". Consideration of the needs of others cannot be considered a paramount factor in the development of our society when the rate of return on investment dominates its decisions.

The attitude which dominates our society as reflected in our concern for the rate of return on investment shows itself in the administration of our social assistance and welfare programs. They are designed to prevent starvation and destitution rather than to provide opportunity for a reasonable and responsible human life. They are so designed because to our mind the only fully human

beings are those economically productive. Consequently the elderly, the unemployed, the handicapped, the poorly educated, the emotionally impaired and the otherwise disadvantaged are given assistance but little position in our society. For example, the established fact that retarded children are capable of showing affection to a degree considerably beyond that usually exhibited by the so-called normal person is given little consideration by us. In less well-developed societies such persons are often regarded as the chosen of God. It is not unfair to say that they are regarded by us merely as misfits because they do not fit the productive mechanisms of our economic order. It is of little consequence to justify ourselves by pointing to what is done for those on the fringe of our society. We have to face the fact that they are on the fringe of our society and to inquire what that says concerning us. We need to see and treat them as persons whose very disabilities provide for us the opportunity of being persons in ourselves in ways denied to us by the domination of economic interests over our society.

The fact is, moreover, that the majority of people in this world are on the fringe of human society. It is probably true to say that at the moment there are more people in the world living in misery than have ever lived here at any one time in human history. During the sixties the poverty-affluence gap between the undeveloped and developed nations became a truism. In that decade the gap was not closed but rather widened and largely because of the domination of investment over our minds.

What has been said in no way suggests that we should abandon or seek not to improve the ameliorative and palliative measures we now take on behalf of the poor. It is a case of continuing to do these things and doing them better while not leaving weightier matters neglected. Those weightier matters concern the quality of human life as it gives meaning to the lives of those who are little more than tolerated in Canadian society, and by our society throughout the world.

To establish a human quality of life for those on the fringe in our world should become the basis of domestic and external policy for Canada. The world in the next thirty years will become an increasingly managed world. Under the growing domina-

tion of economic consideration vast new powers have arisen in the form of global companies whose interest is in investment opportunities rather than in the quality of human life. At present these powers are not very amenable to control by any of the existing political and social structures of our world. Management of the world's resources as conceived by them is likely to emphasize exploitation and manipulation in the interests of investment with the benefits accruing to people being largely incidental to those interests. The interests of people must become the concern of governments not only within their own borders but throughout the world. Democratic governments rest upon the consent of the governed and if they do not become the champions of the interests of the dispossessed at home and abroad they will lose their credibility for people. Democratic governments must accept the responsibility of ensuring that human life is given an economic foundation that allows men and women to become free and responsible persons. An economic floor below which no person is allowed to fall must be established. But a floor is of little use if the sky is the limit for those whose main interest in life is in over-reaching their fellow men.

Consequently some kind of ceiling will need to be established to keep income differential within bounds. The unresolved problem of the industrial order has been income. The so-called wage-price spiral is evidence of this and witnesses to the disruptive effect of the lack of a ceiling which lack causes concern for money and economic interests to be paramount among men in their anxiety to maintain their comparative positions in the economic scale. Were we to be facetious we could suggest that the model for the future should be an elevator in which all travel together. Certainly, if we do not travel together, it is very probable that we will all go down together.

Mr. Chairman, Ladies and Gentlemen, we have not been concerned to define for you precisely the ills of our society which create poverty nor to recommend to you specific remedies for those ills. For that you have available to you the advice of those whose expertise far exceeds ours in these matters. We have been concerned, rather, to raise for you, and for us all, the more fundamental

question of the perspectives and values pursued in our society because we believe that something other than the logic of the attitudes expressed in our present aspirations and ambitions needs to be brought to bear upon the problems of our society. Those problems need to be seen as functions of our present attitudes and it is our hope that we may have made a modest contribution to that end.

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